

MONTHLY PROMOTIONS MEETING



February 1999

2071416403

For: Monthly Promotions Meeting - 2/10/98

PM USA -

January Workload Plan

- Marlboro Menthol B2G1F
- Virginia Slims B2G1F
- Parliament B2G1F
- Basic
 - B2G1F
 - B8G2F
- Cambridge B8G2F

PM USA -January 1999 Promotions

AUDIT METHODOLOGY

- 3300 stores (150 per section)
- Store selection criteria include PM defined Market, chain/independent, trade class, population density and Retail Master status.
- All stores visited weekly.
- The study is designed to represent Total U.S., Regions and Sections.

PM USA -

SUMMARY

- Consistently low penetration vs. objective
- Delayed Product Shipments
- Inventory Still At Wholesale
- Product Promotion Spillover
- Visible Product Promotion vs. Quiet Product Promotion

January Promotions Marlboro Menthol B2G1F

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PM USA - Marlboro Menthol B2G1F

FIELD SALES FORCE OBJECTIVES

OBJECTIVES

- Penetrate 90% of ADS2 Stores
- Place promotional POS (with retailer's price call-out) in all participating stores.

RESULTS (Cume Through w/o 1/24/99)

- 31% of ADS2 stores had B2G1F
- 22% of ADS2 stores had visible money-off

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PM USA - Marlboro Menthol B2G1F

Marlboro Menthol B2G1F Pack Promotions					
	# Of Designated Stores	% Of Total Workload	Objective	% Penetration in Designated Stores	% Penetration in Total Stores
January 1999	97,953	46%	90%	31%	20%

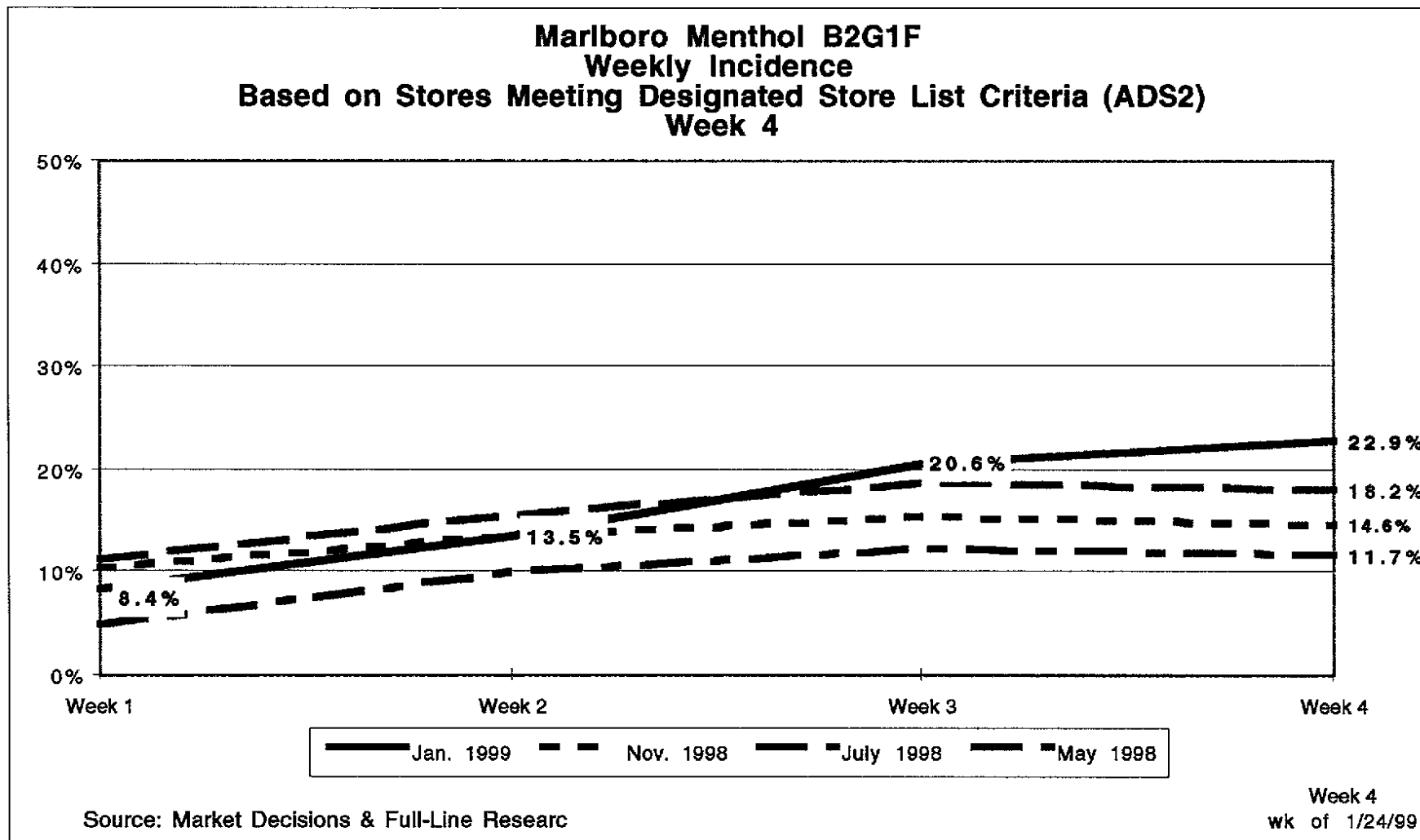
Source: ADSII & Market Decisions

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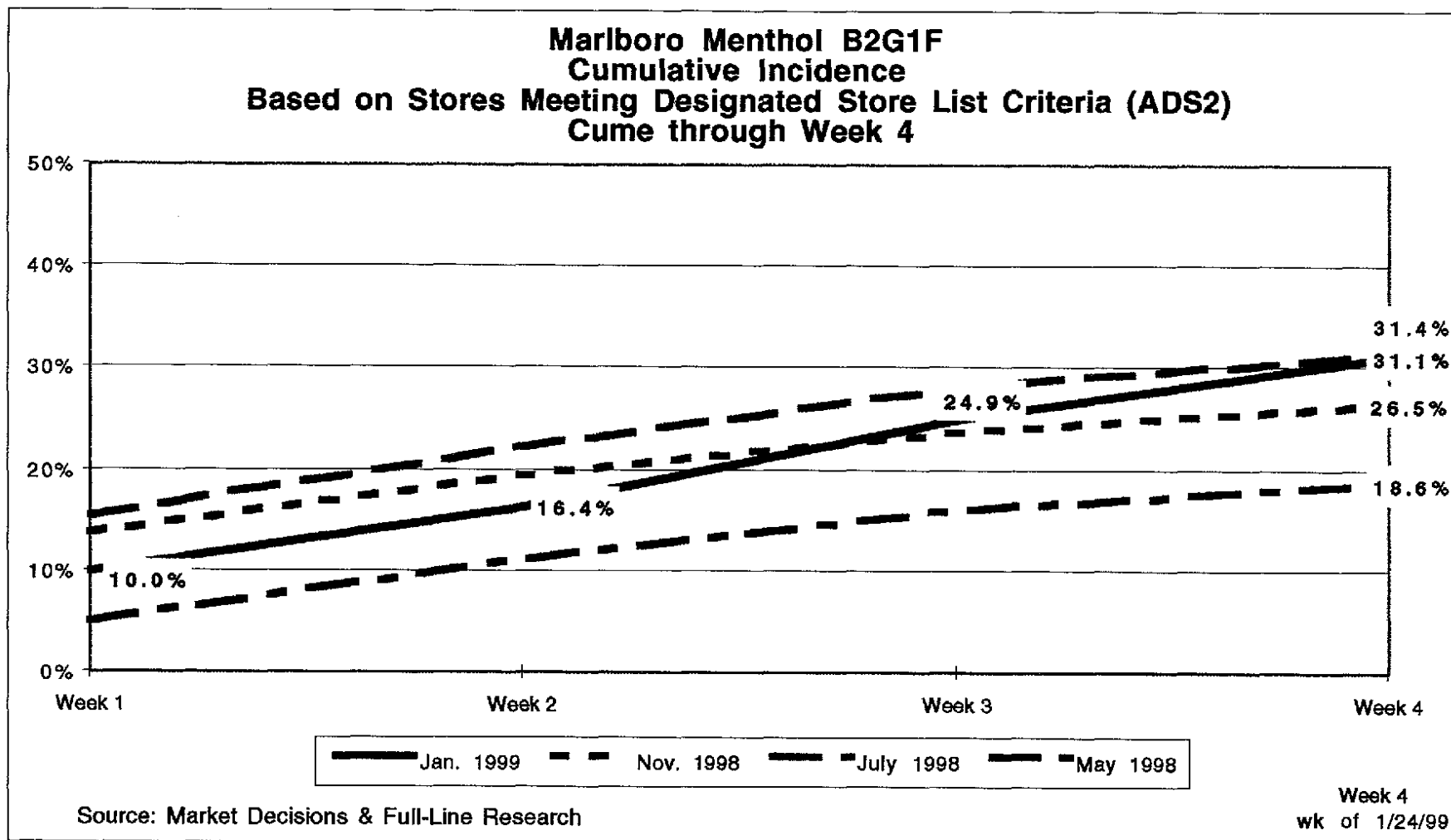
7

PM USA - Marlboro Menthol B2G1F



Objective: 90% of ADS2 store list.

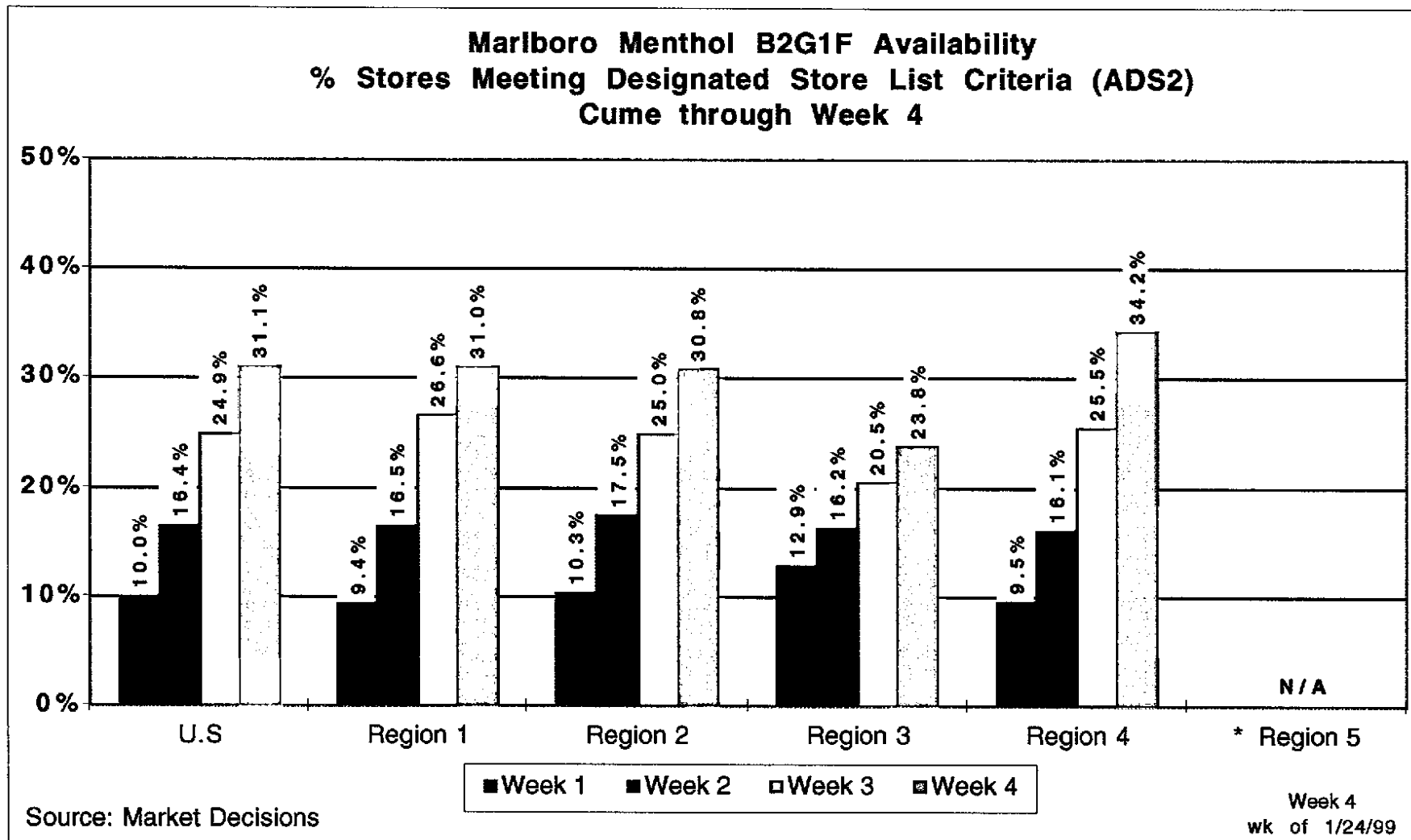
PM USA -Marlboro Menthol B2G1F



Objective: 90% of ADS2 store list.

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PM USA - Marlboro Menthol B2G1F



Objective: 90% of ADS2 store list.

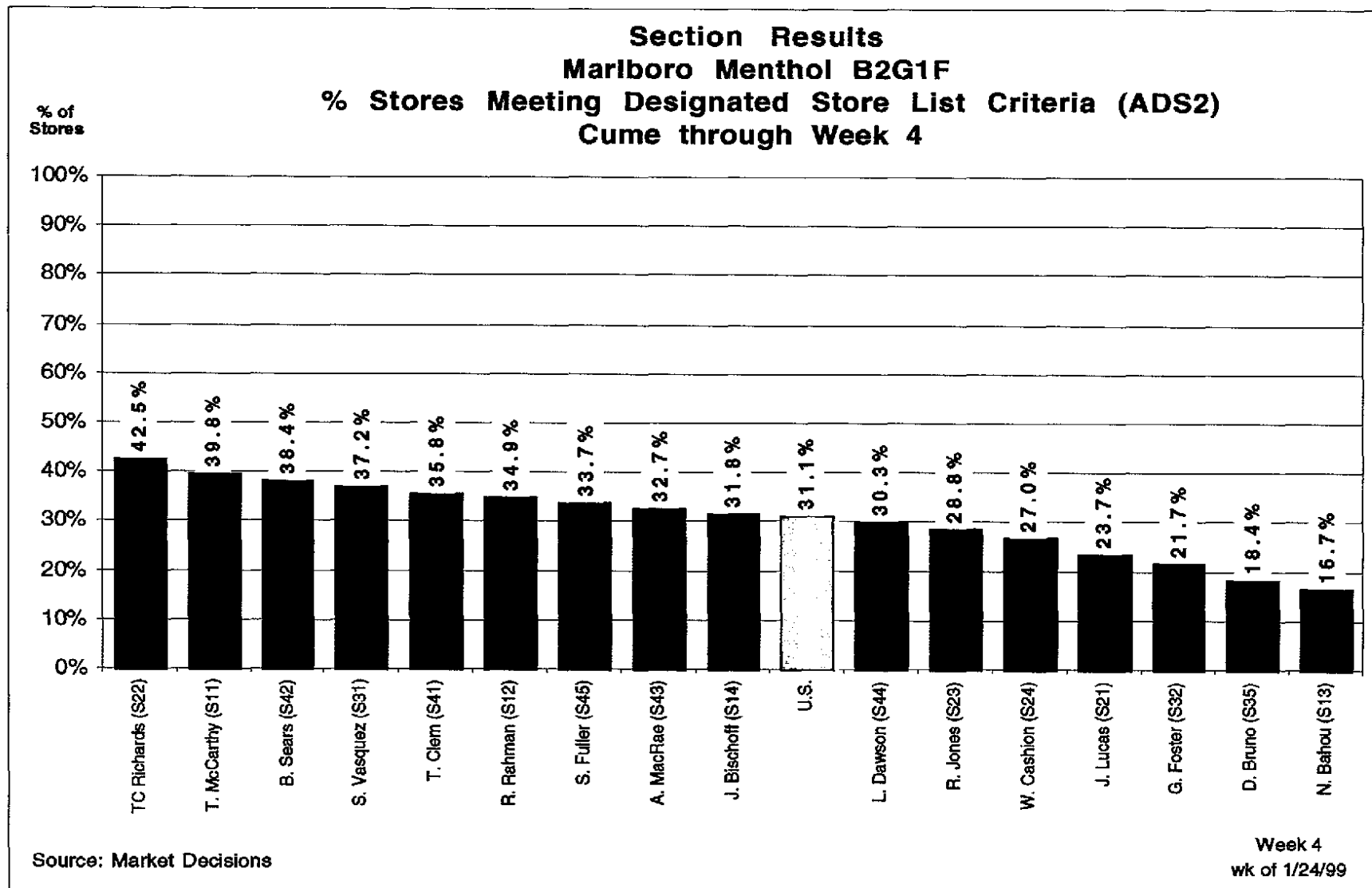
* Note: Low Sample Size in Region 5

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PM USA - Marlboro Menthol B2G1F



Objective: 90% of ADS2 store list.

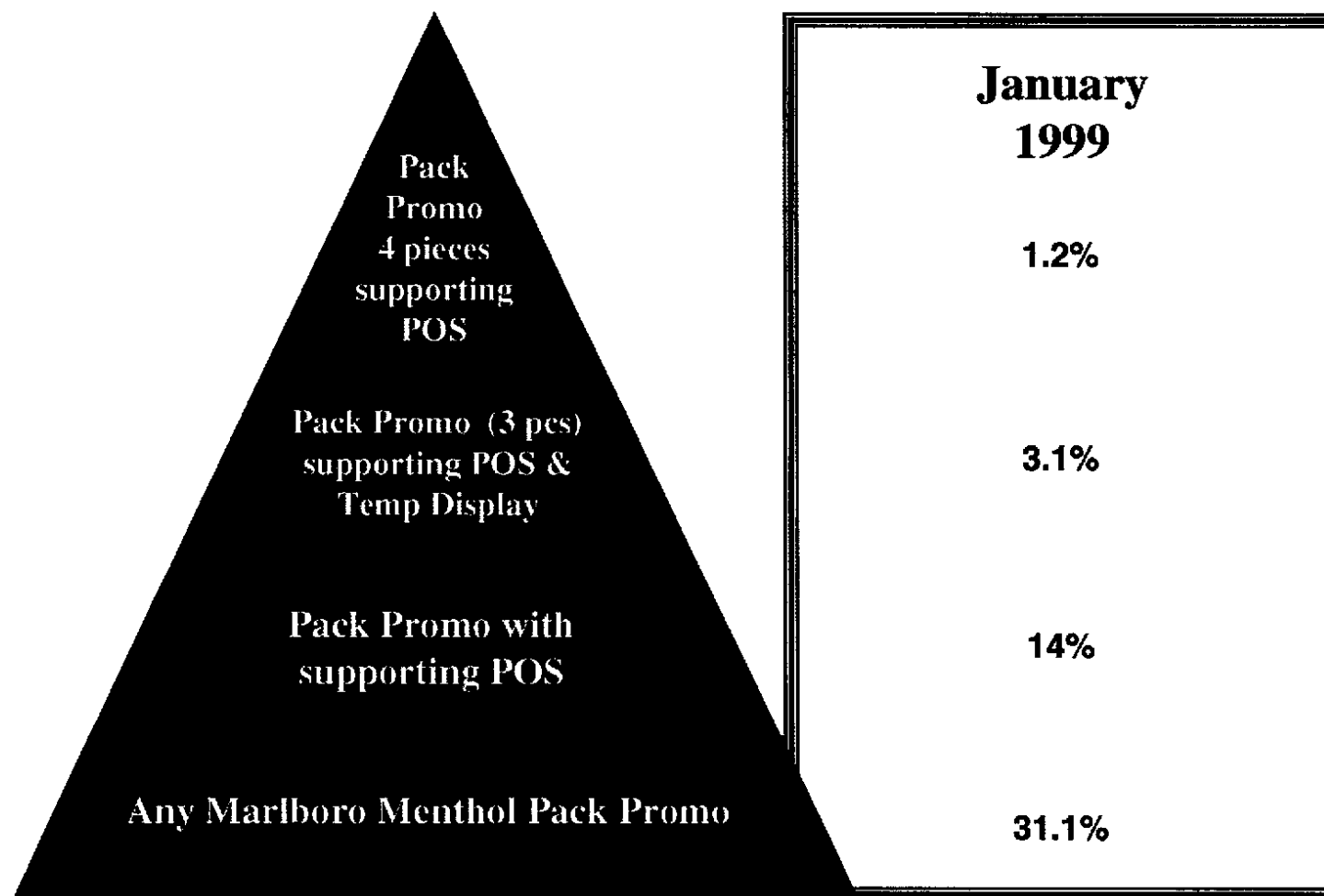
Note: Low Sample Size in Section 33,36,51,52,53,54
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PM USA -Marlboro Menthol B2G1F

Retail Execution Pyramid

Based on stores meeting designated store list criteria (ADS2)



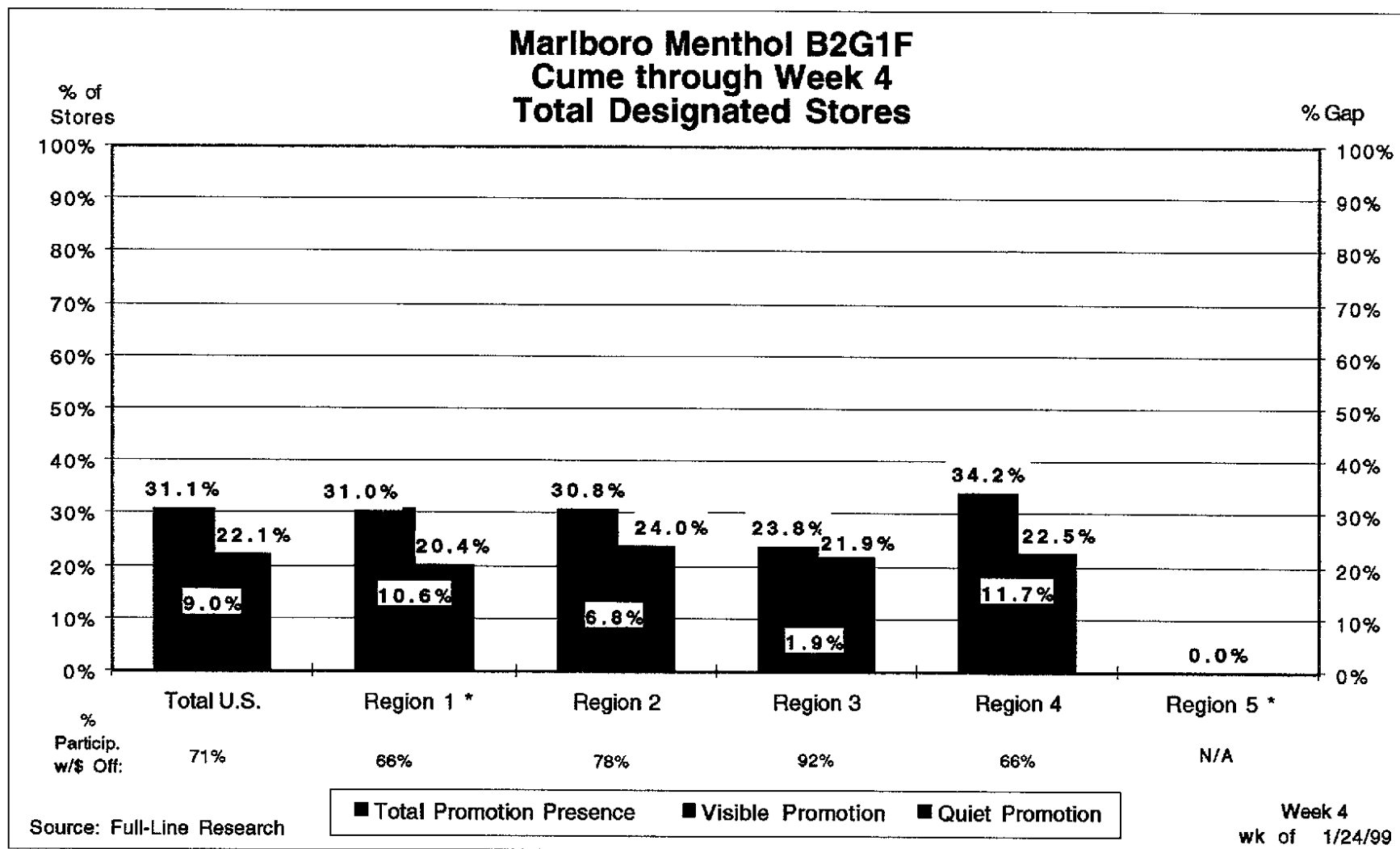
Source: Market Decisions

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PM USA - Marlboro Menthol B2G1F



Objective: 90% of ADS2 Store List.

* Low Sample Size — Region 5

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PM USA - Marlboro Menthol B2G1F

Marlboro Menthol B2G1F

	Objective*	Stores w/ Promo		
		D.S.L. Penetration	Non D.S.L. Penetration	Unaccounted
January B2G1F	90%	31%	13%	56%
November B2G1F	100%	27%	22%	51%
July B2G1F	100%	31%	29%	40%

Source: FLR & Market Decisions

* % of ADS2 Designated Store List
** DSL = Designated Store List

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PM USA - Marlboro Menthol B2G1F

Marlboro Menthol B2G1F Spill

	% of Spill	Retail Masters	Non-Retail Masters
January B2G1F	13%	71%	29%
November B2G1F	22%	66%	34%
July B2G1F	29%	66%	34%

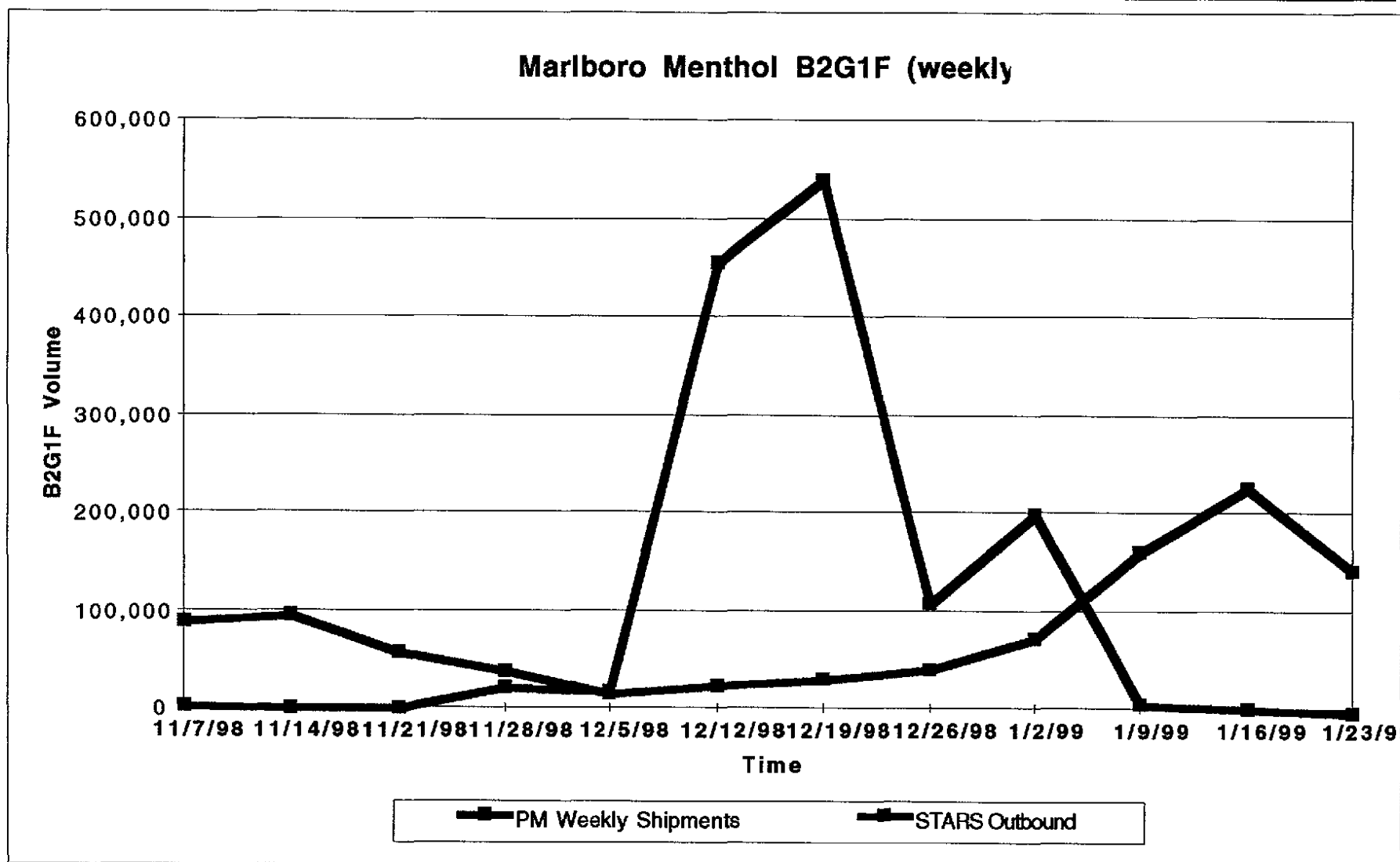
Source: FLR & Market Decisions

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PM USA -Marlboro Menthol B2G1F



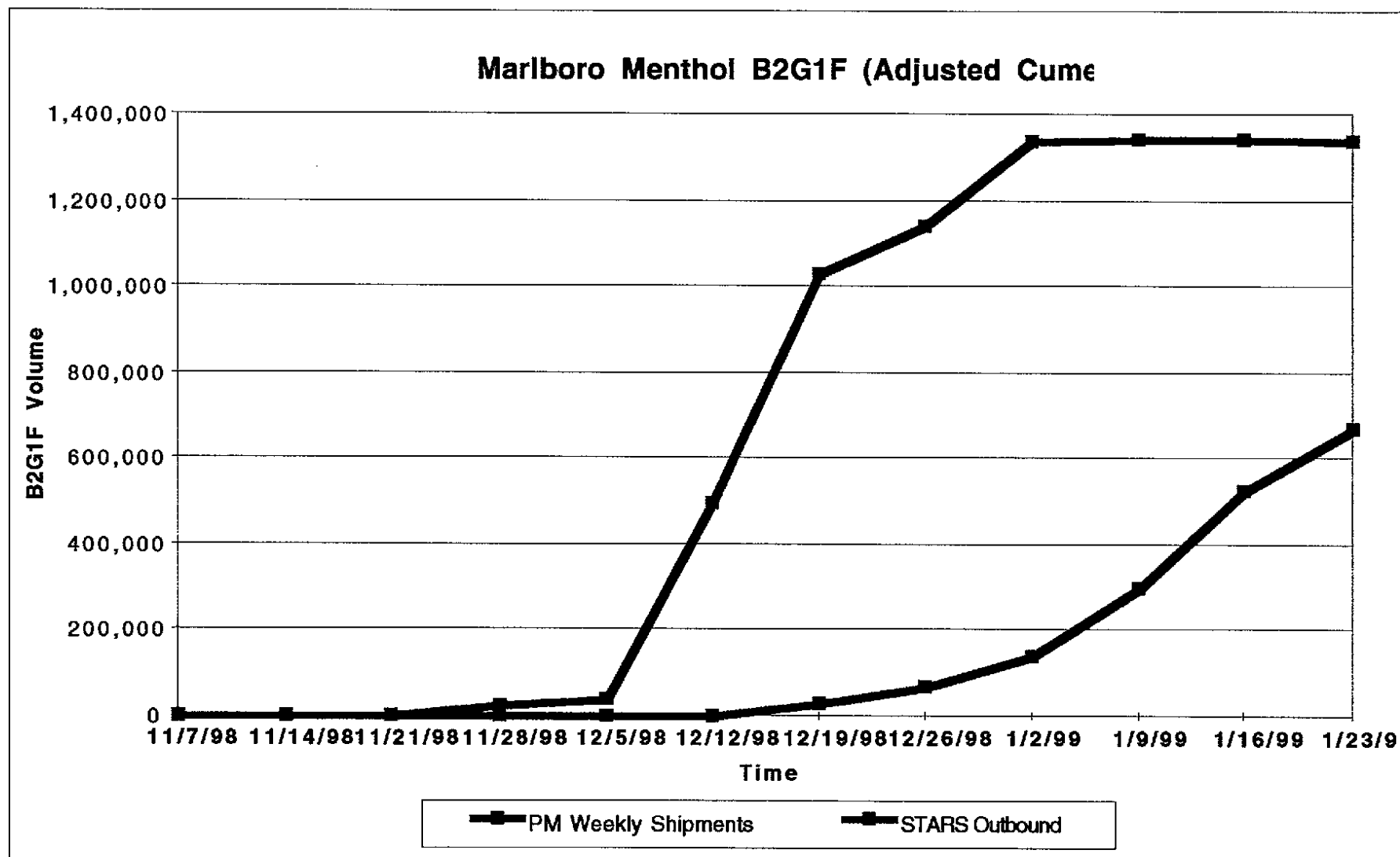
Source: PM Shipments STARS, MN

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PM USA - Marlboro Menthol B2G1F



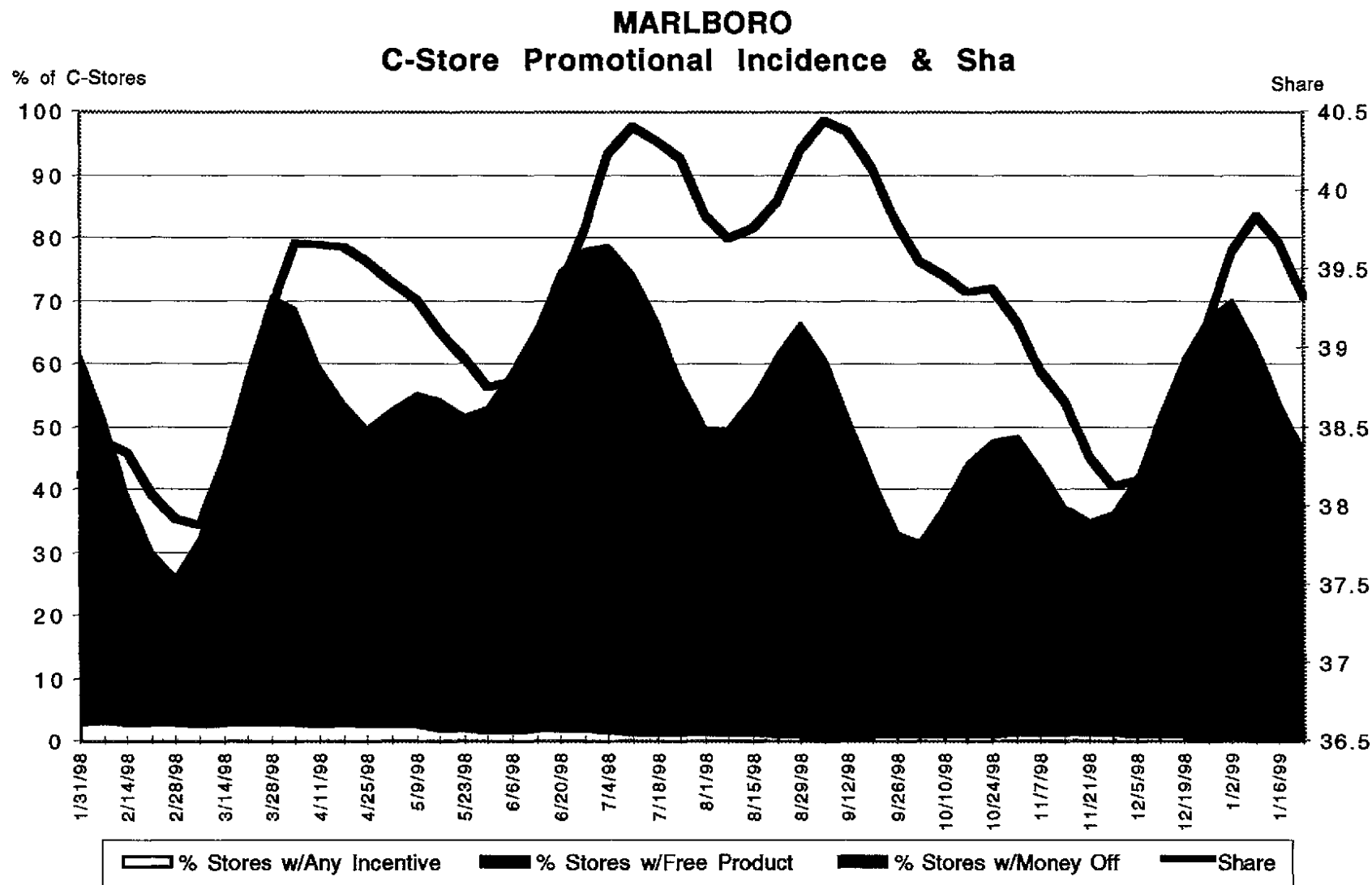
Source: PM Shipments STARS, MN

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PM USA -Marlboro Menthol B2G1F



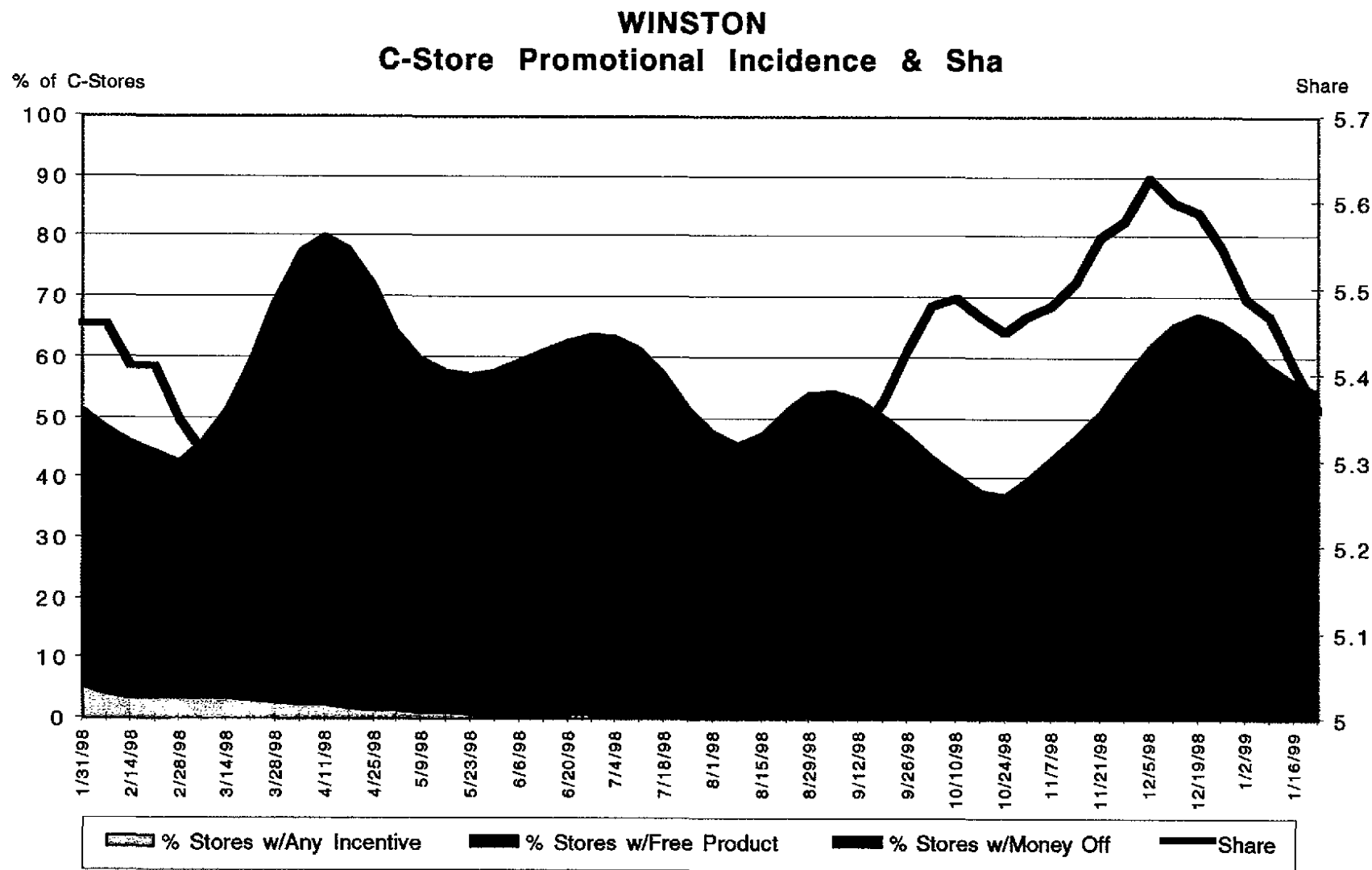
Source: Nielsen (4 wk), J

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PM USA - Marlboro Menthol B2G1F



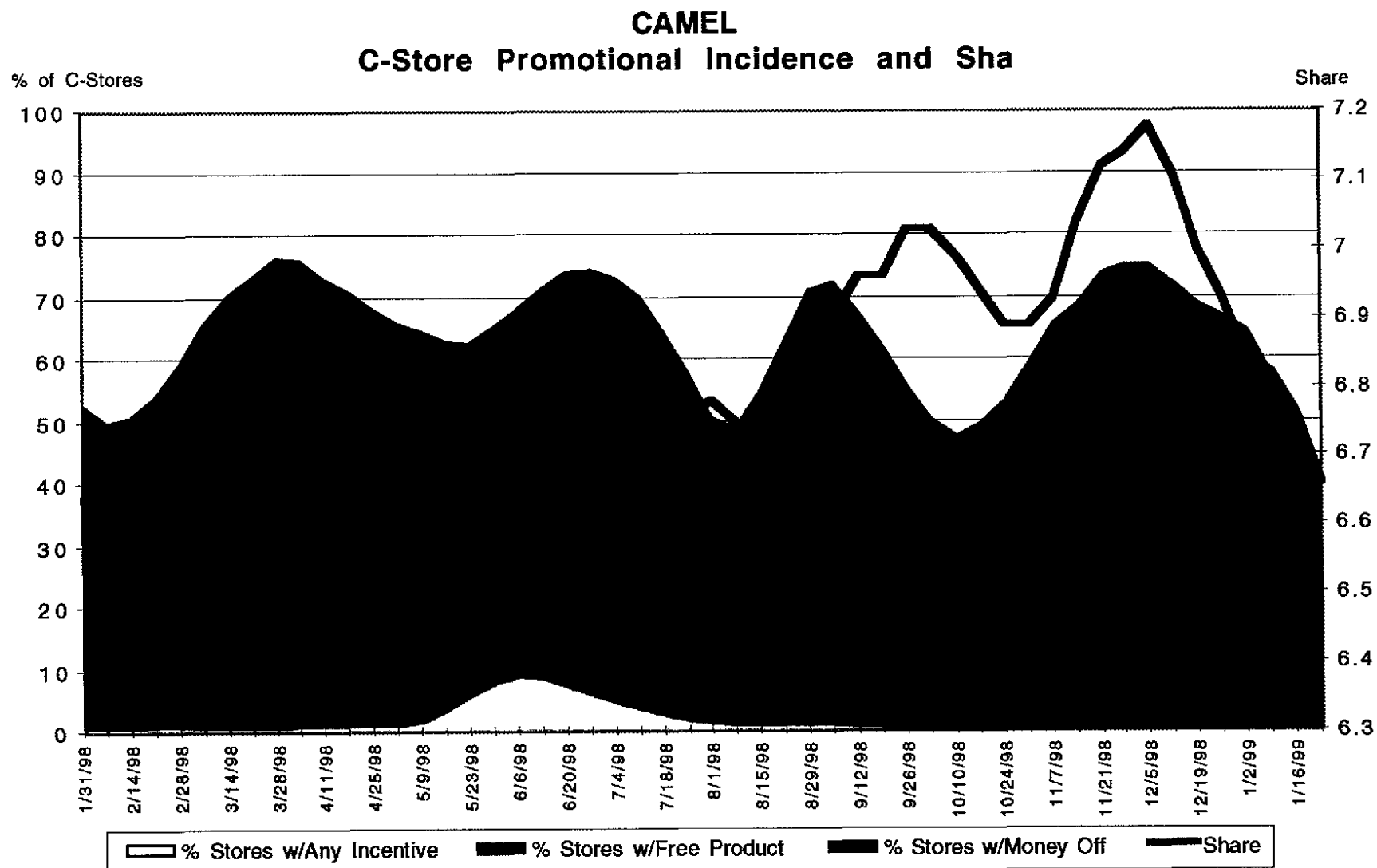
Source: Nielsen (4 wk), J

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PM USA - Marlboro Menthol B2G1F



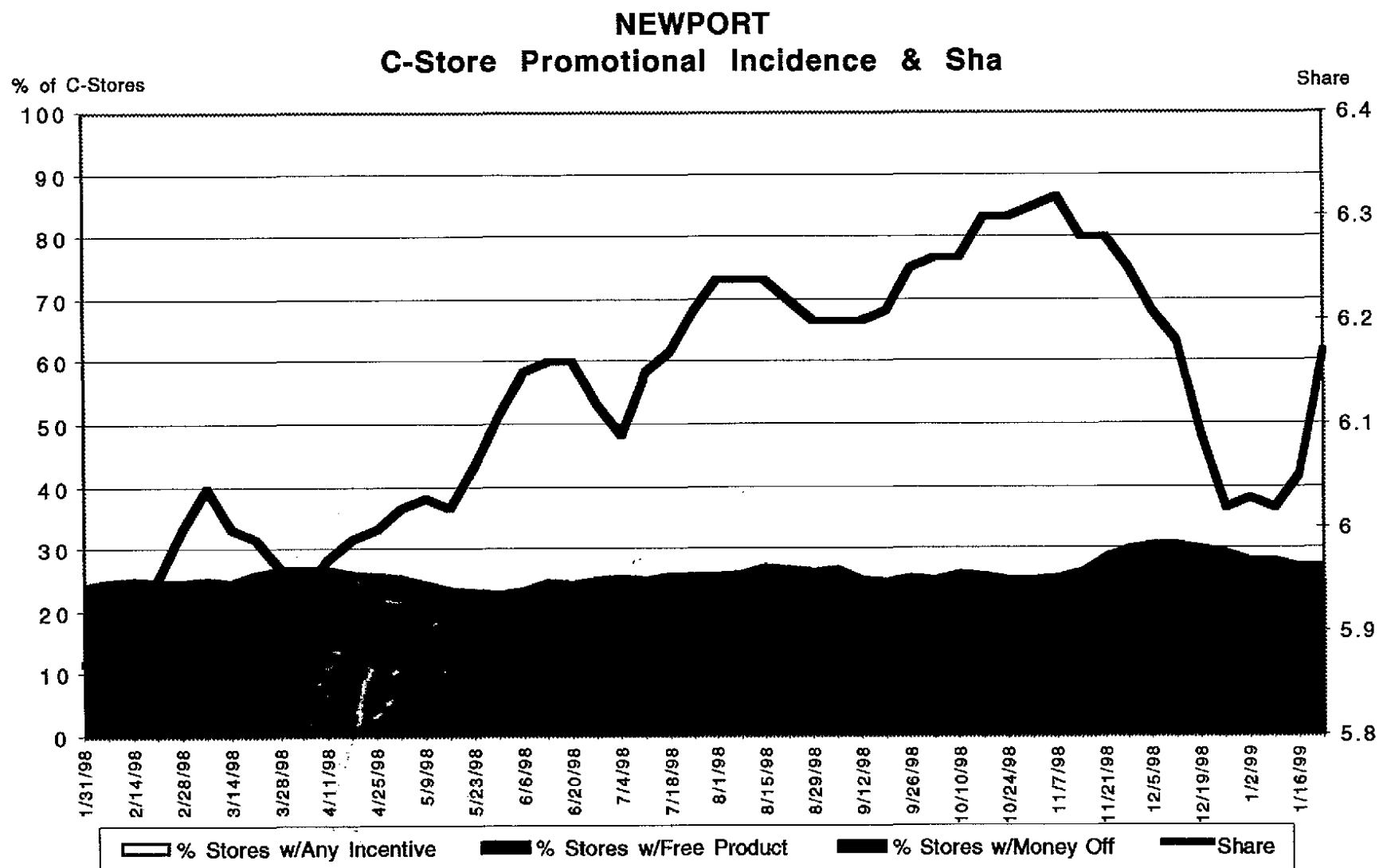
Source: Nielsen

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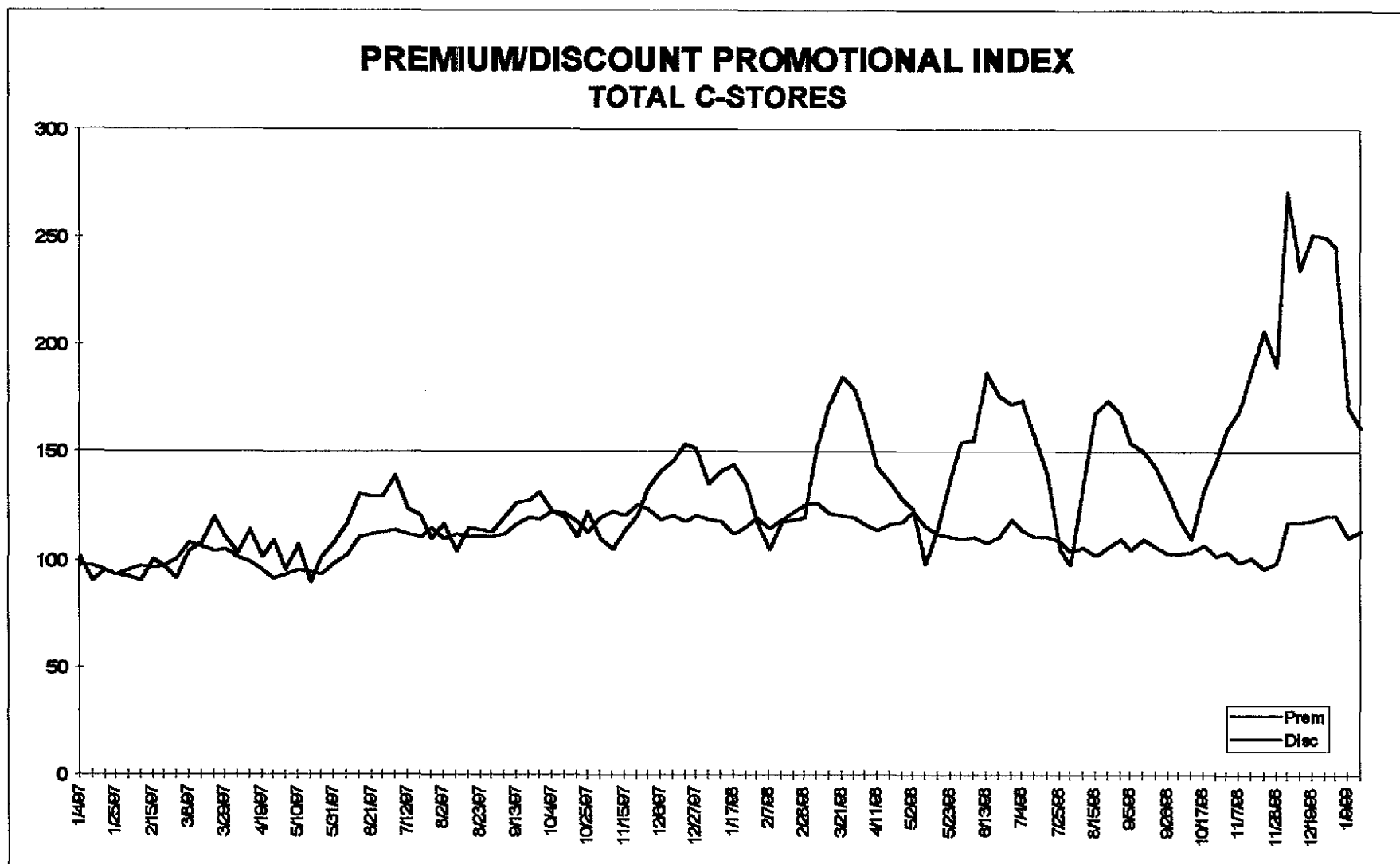
PM USA - Marlboro Menthol B2G1F



Source: Nielsen

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PM USA -



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Virginia Slims January B2G1F

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PM USA - Virginia Slims B2G1F

FIELD SALES FORCE OBJECTIVES

OBJECTIVES

- Penetrate 90% of ADS2 Stores
- Place promotional POS (with retailer's price call-out) in all participating stores.

RESULTS (Cume Through w/o 1/24/99)

- 18% of ADS2 stores had B2G1F
- 13% of ADS2 stores had visible money-off

PM USA - Virginia Slims B2G1F

Virginia Slims B2G1F Pack Promotions					
	# Of Designated Stores	% Of Total Workload	Objective	% Penetration in Designated Stores	% Penetration in Total Stores
January 1999	44,648	21%	90%	18%	7%

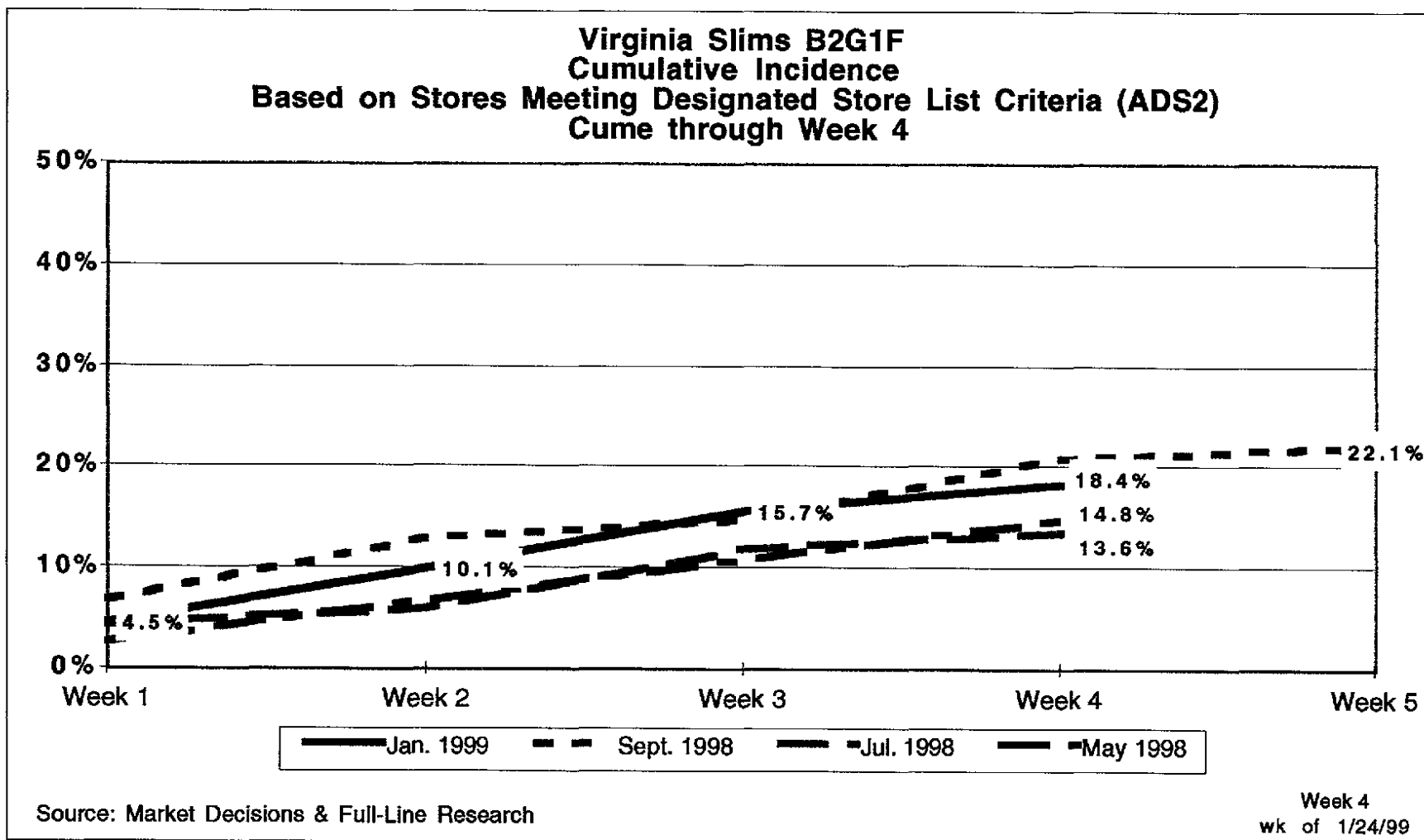
Source: ADSII & Market Decisions

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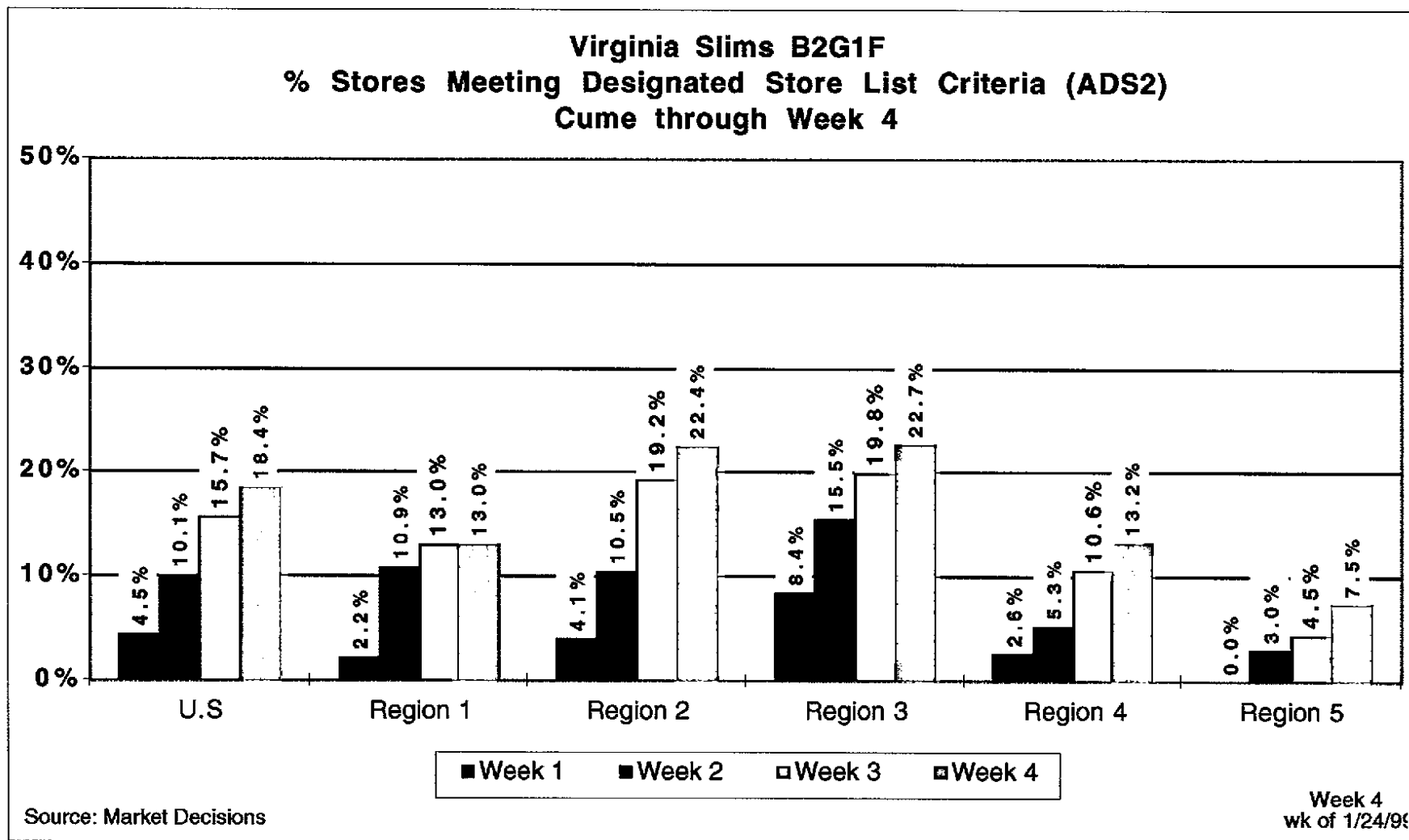
25

PM USA - Virginia Slims B2G1F



Objective: 90% of ADS2 store list.

PM USA - Virginia Slims B2G1F



Objective: 90% of ADS2 store list.

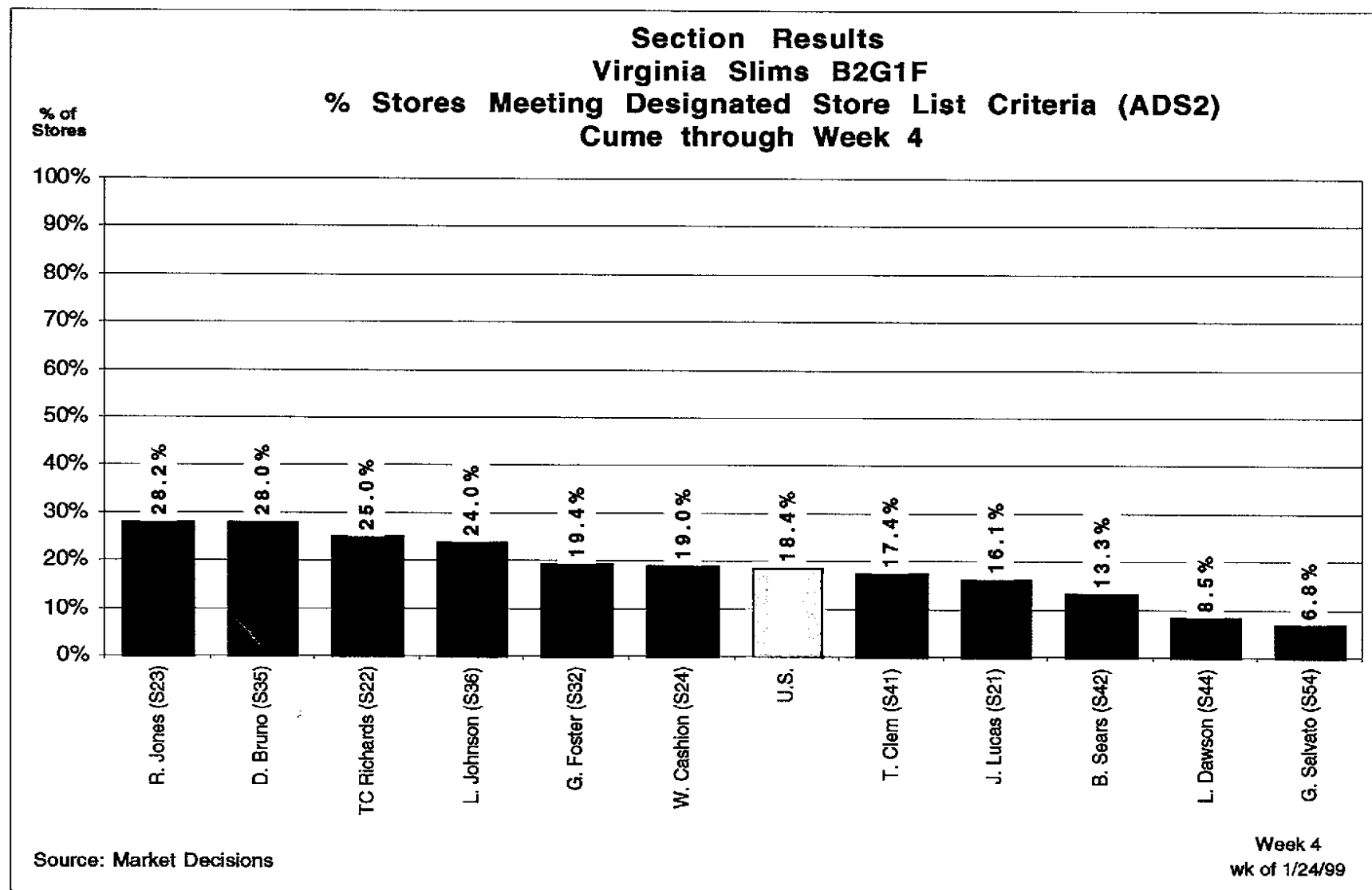
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PM USA - Virginia Slims B2G1F

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Objective: 90% of ADS2 store list.

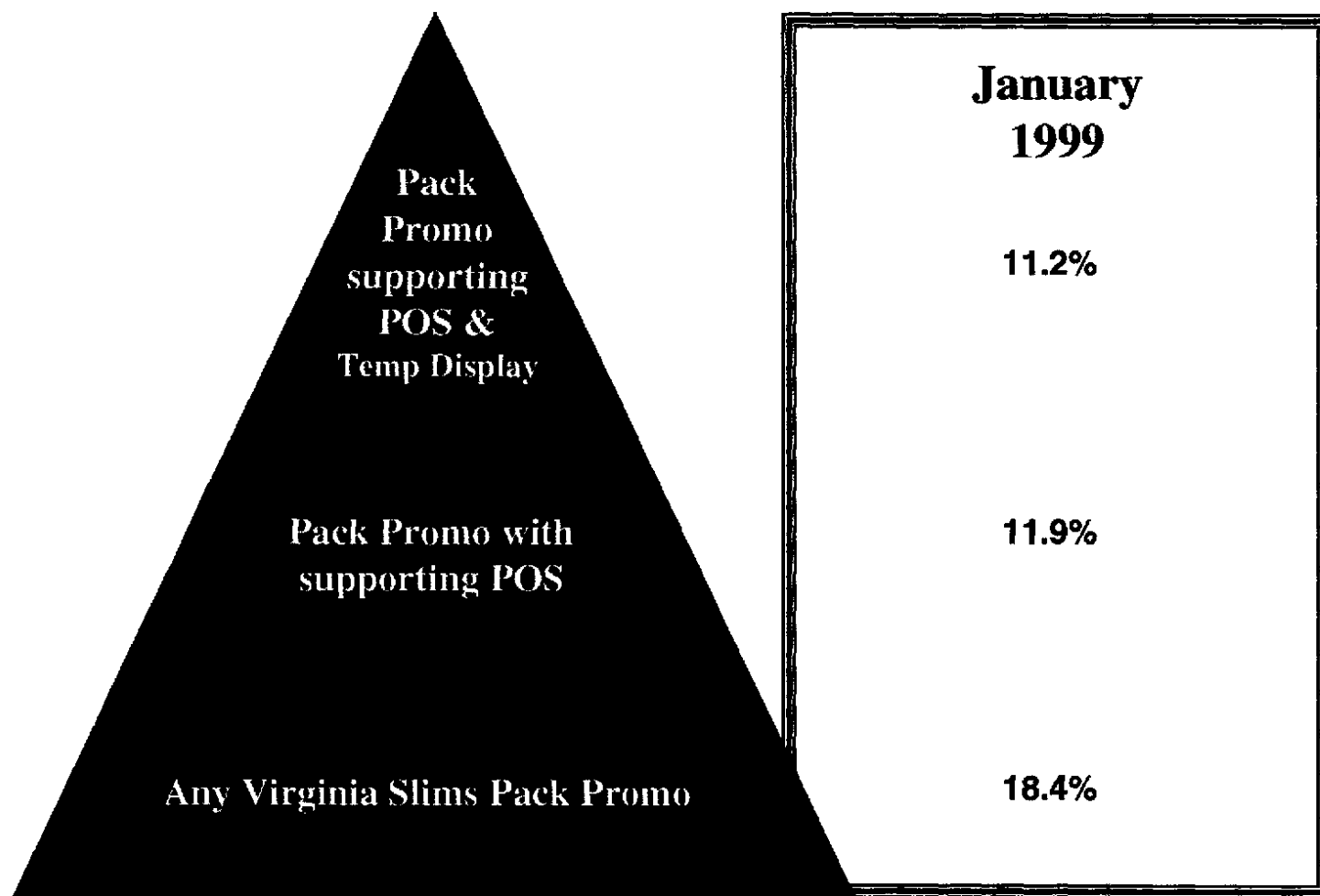
Note: Low Sample Size in Section 11, 12, 13, 14, 31, 33, 41, 43, 45, 51, 52, 53

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PM USA - Virginia Slims B2G1F

Retail Execution Pyramid

Based on stores meeting designated store list criteria (ADS2)



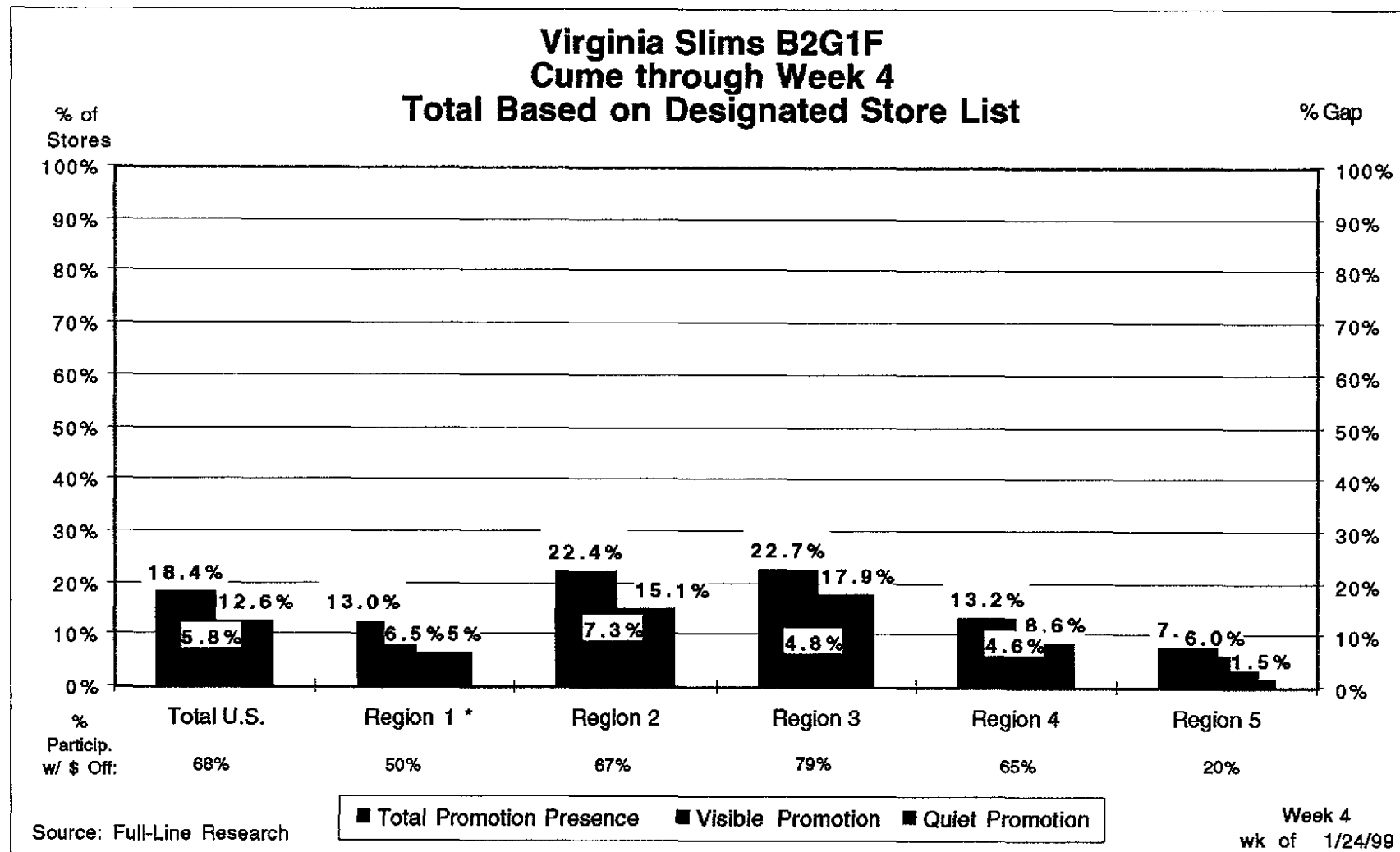
Source: Market Decisions

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PM USA - Virginia Slims B2G1F



Objective: 90% of Designated Store List.

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PM USA - Virginia Slims B2G1F

Virginia Slims B2G1F

	Objective*	Stores w/ Promo		
		D.S.L. Penetration	Non D.S.L. Penetration	Unaccounted
January B2G1F	90%	18%	14%	68%
September B2G1F	90%	22%	26%	52%
July B2G1F	70%	14%	86%	0%

Source: FLR & Market Decisions

* % of ADS2 Designated Store List

** DSL = Designated Store List

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PM USA - Virginia Slims B2G1F

Virginia Slims B2G1F Spill

	% of Spill	Retail Masters	Non-Retail Masters
January B2G1F	14%	63%	37%
November B2G1F	26%	67%	33%
July B2G1F	86%	68%	32%

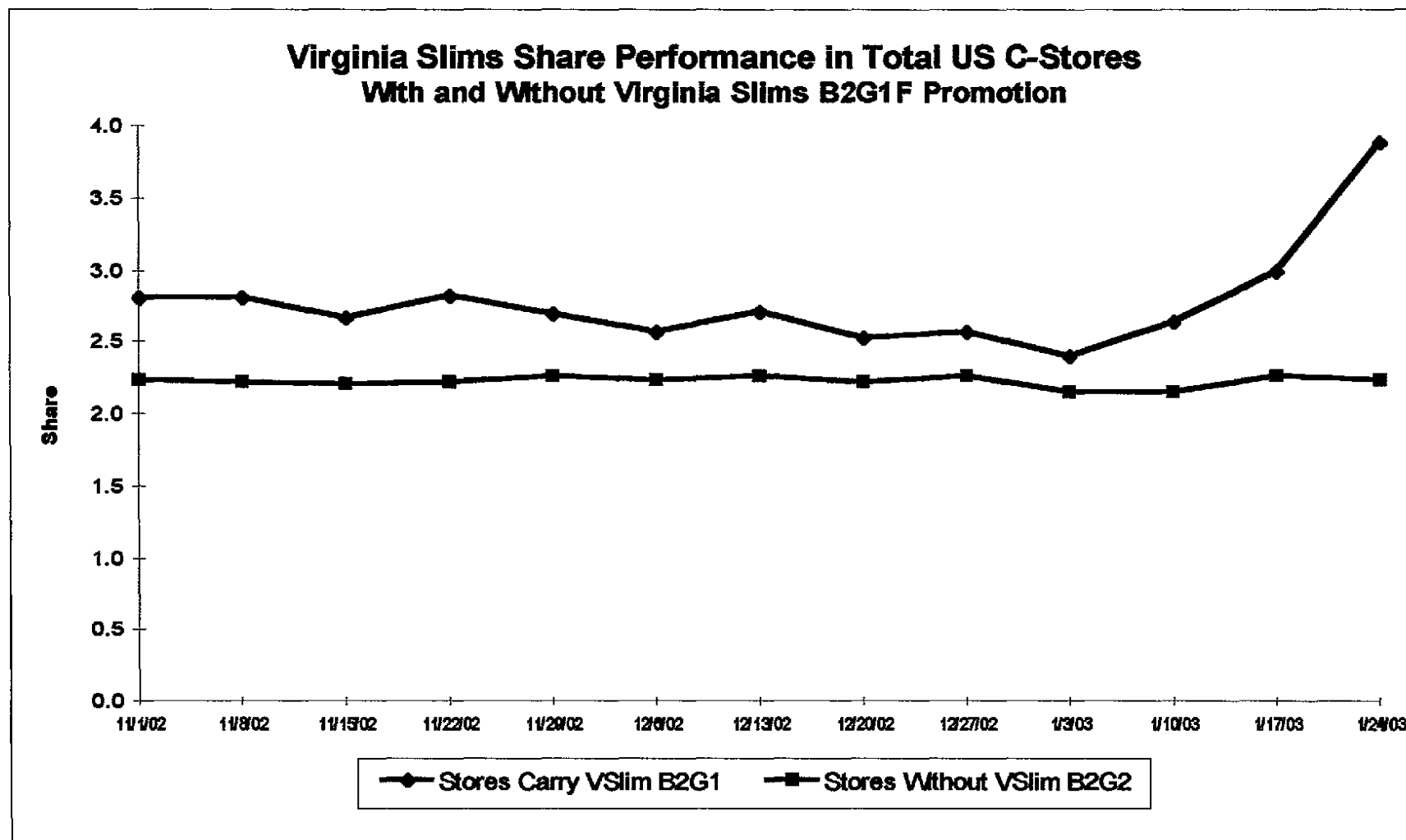
Source: FLR & Market Decisions

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PM USA - Virginia Slims B2G1F



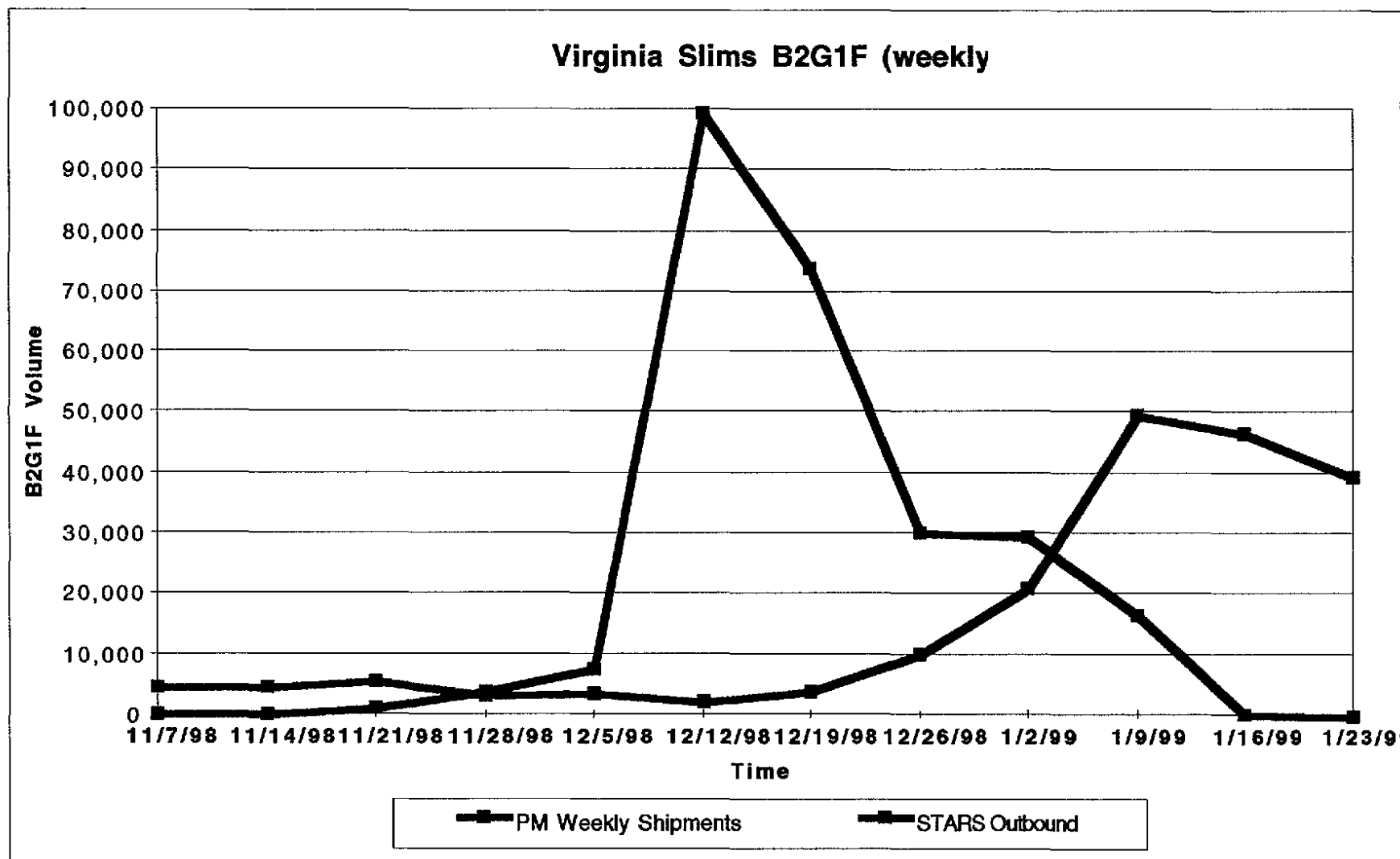
Source: Nielsen, MN

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PM USA - Virginia Slims B2G1F



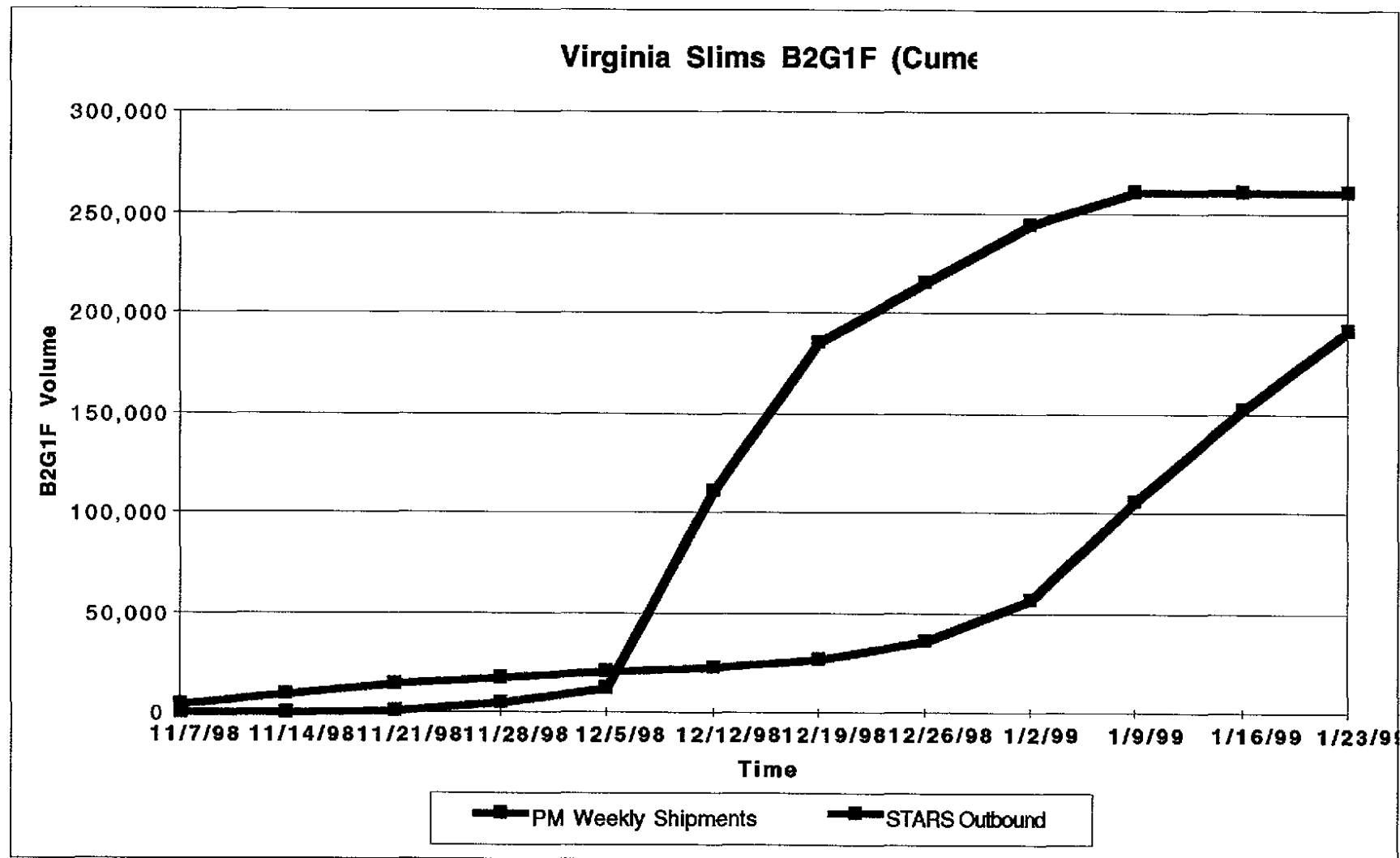
Source: PM Shipments STARS, MN

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PM USA - Virginia Slims B2G1F



Source: PM Shipments STARS, MN

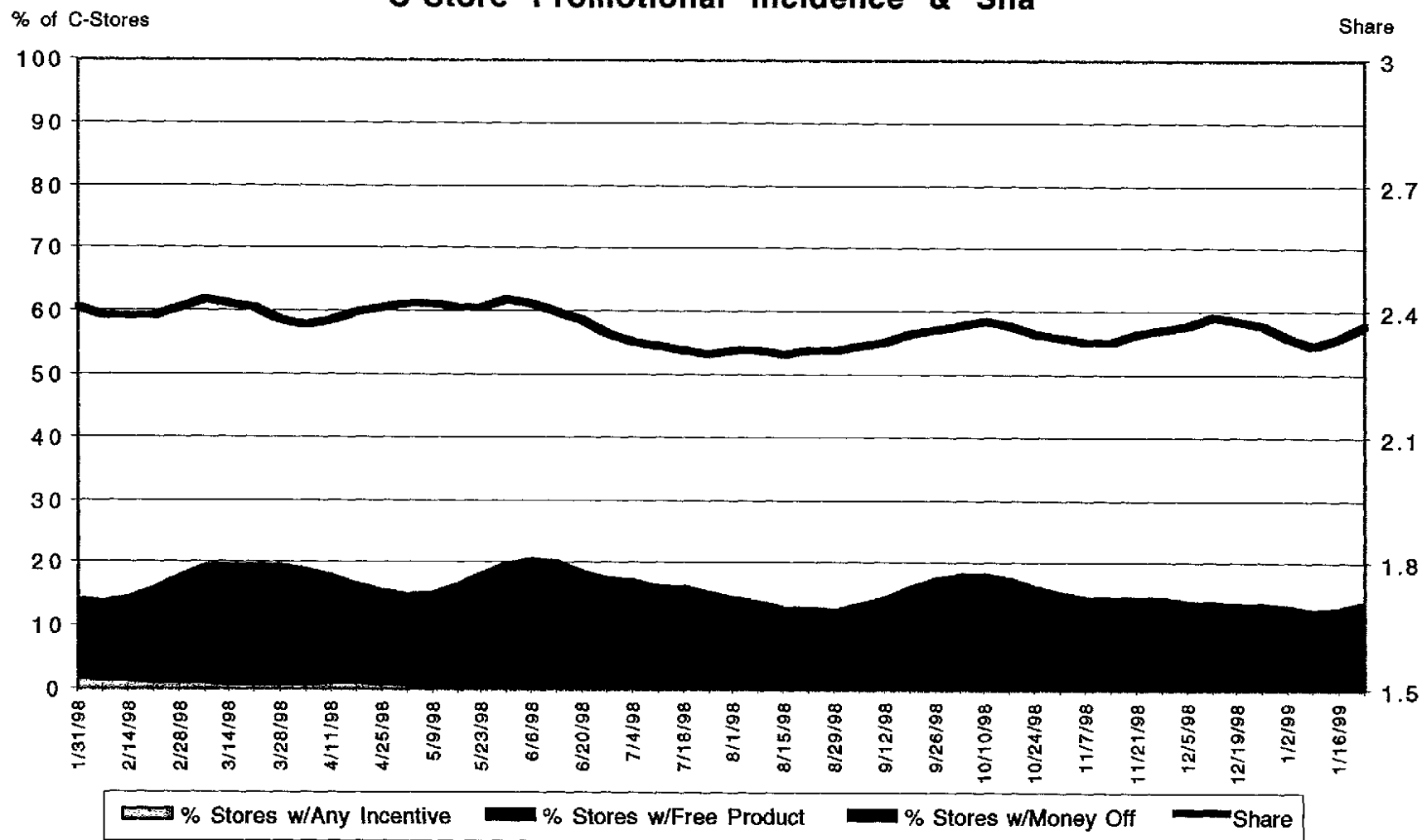
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PM USA - Virginia Slims B2G1F

VIRGINIA SLIMS C-Store Promotional Incidence & Sha



Source: Nielsen (4 wk), J

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Parliament B2G1F

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PM USA - Parliament B2G1F

FIELD SALES FORCE OBJECTIVES

OBJECTIVES

- Penetrate 90% of ADS2 Stores
- Place promotional POS (with retailer's price call-out) in all participating stores.

RESULTS (Cume Through w/o 1/24/99)

- 19% of ADS2 stores had B2G1F
- 10% of ADS2 stores had visible money-off

PM USA - Parliament B2G1F

Parliament B2G1F Pack Promotions					
	# Of Designated Stores	% Of Total Workload	Objective	% Penetration in Designated Stores	% Penetration in Total Stores
January 1999	27,131	13%	90%	19%	4%

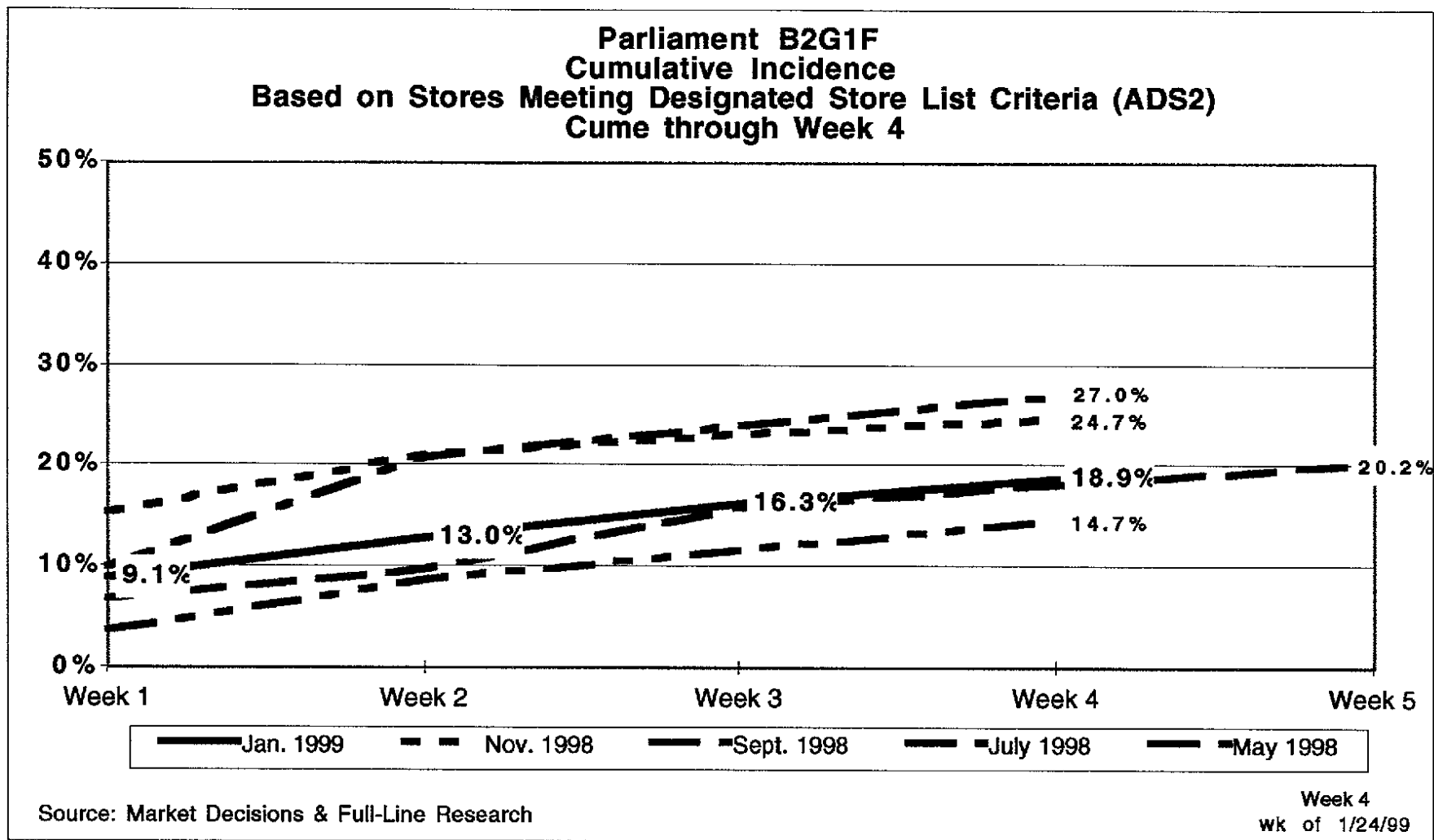
Source: ADSII & Market Decisions

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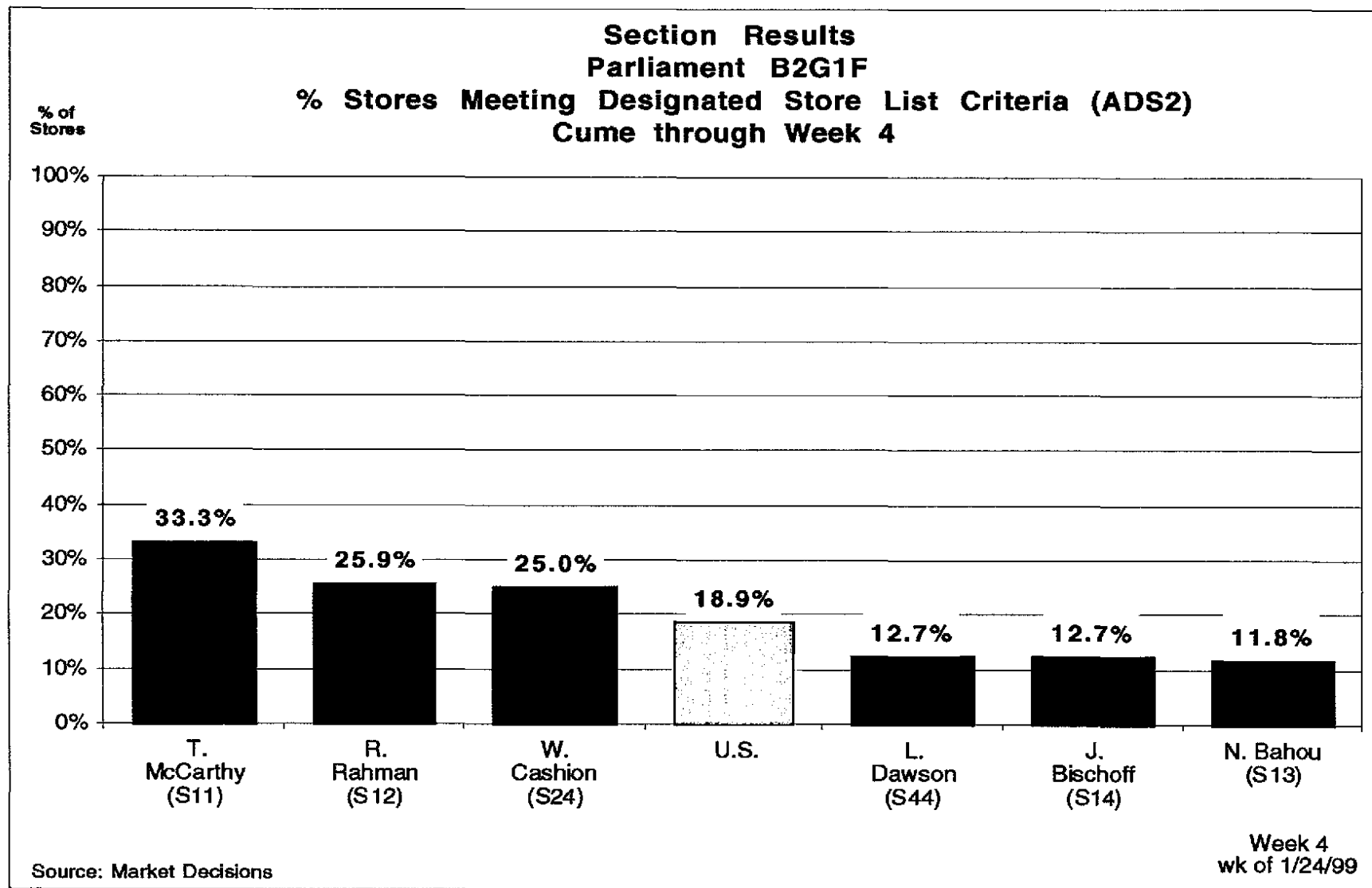
PM USA - Parliament B2G1F



Objective: 90% of ADS2 store list.

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PM USA - Parliament B2G1F

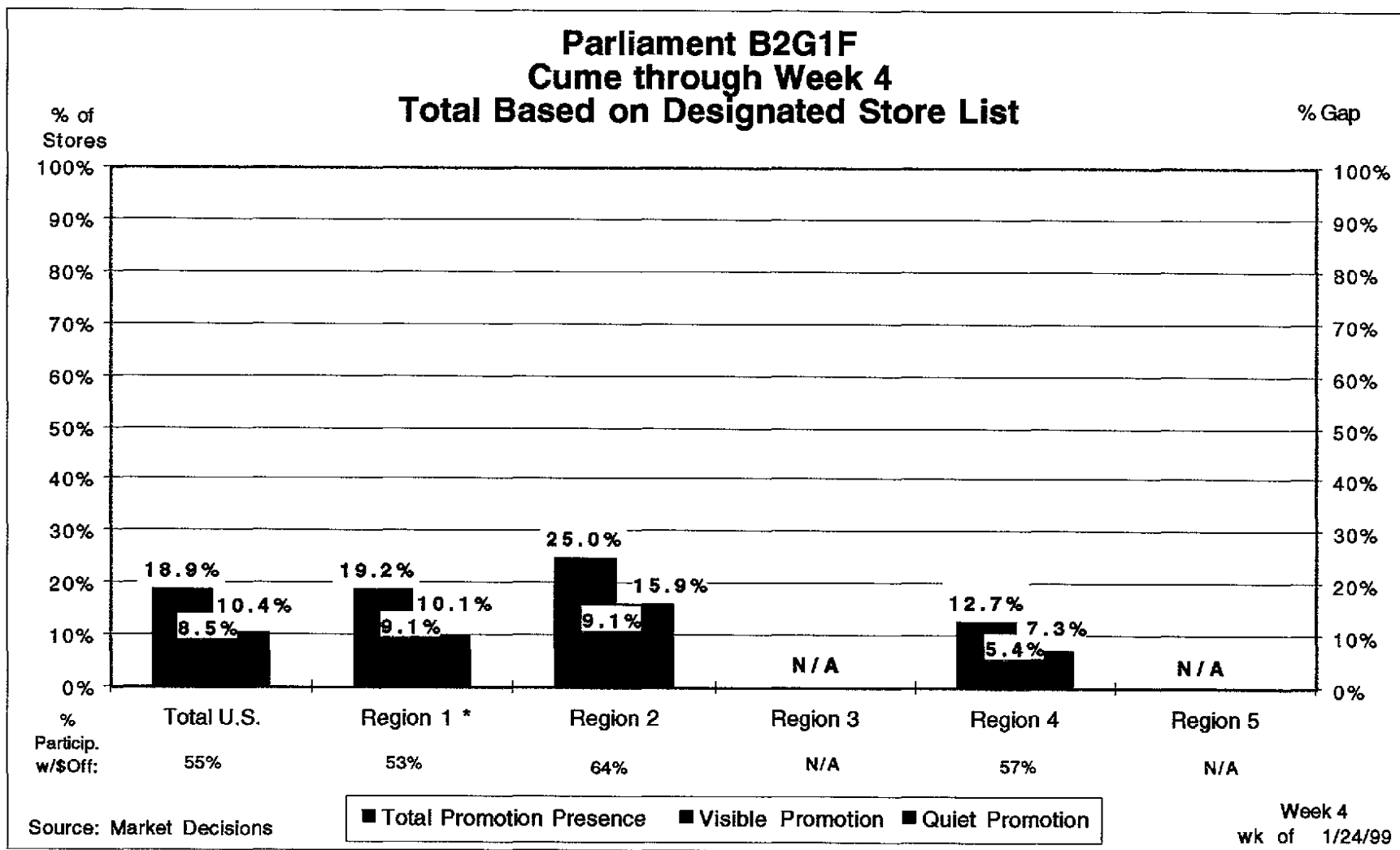


Objective: 90% of ADS2 store list.

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PM USA - Parliament B2G1F



Objective: 90% of Designated Store List.

* Low Sample Size for NRM in Regions 2 & 4.
No Promotion running in Regions 3 & 5

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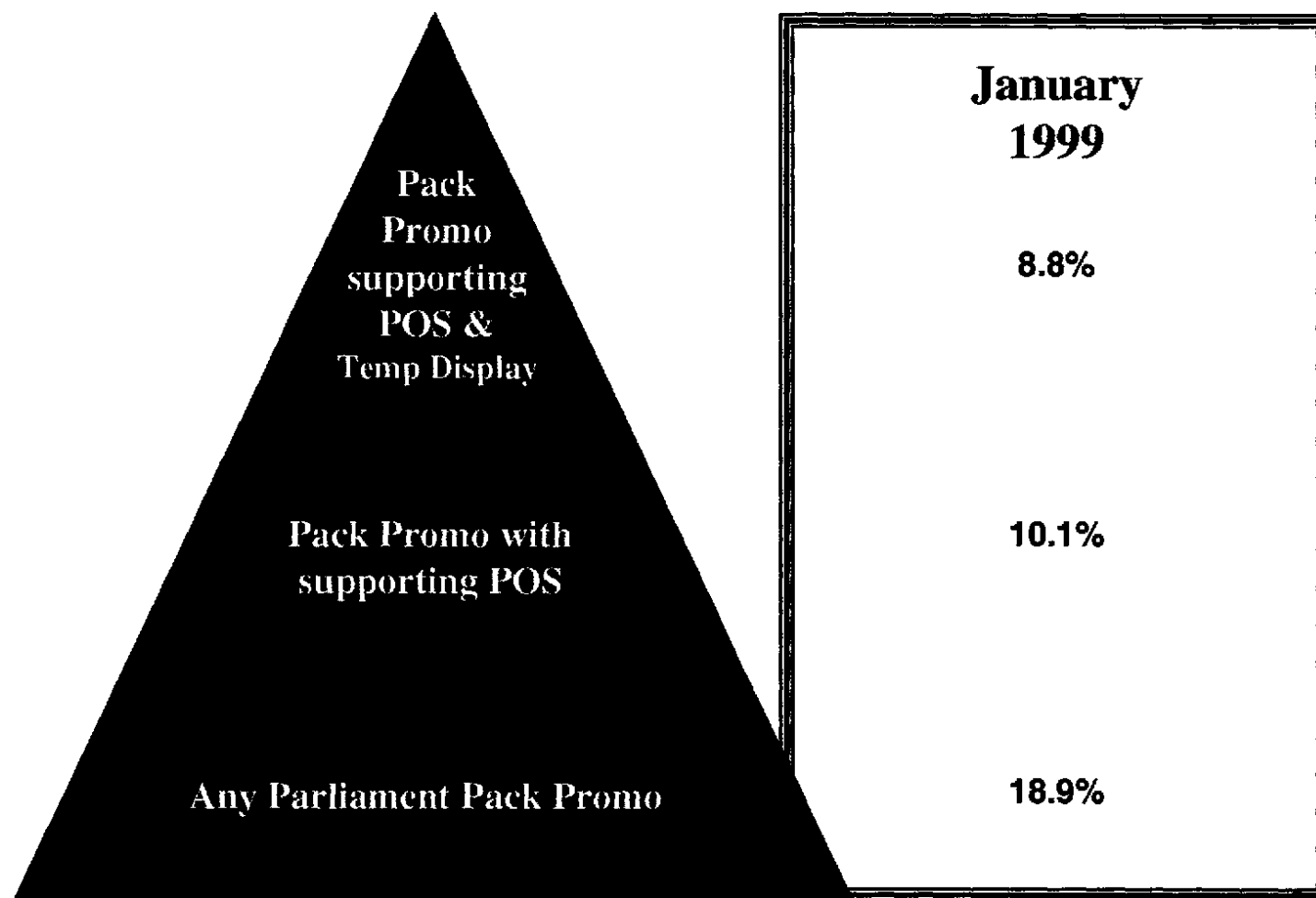
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PM USA - Parliament B2G1F

Retail Execution Pyramid

Based on stores meeting designated store list criteria (ADS2)



Source: Market Decisions

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PM USA - Parliament B2G1F

Parliament B2G1F

	Objective*	Stores w/ Promo		
		D.S.L. Penetration	Non D.S.L. Penetration	Unaccounted
January 1999 B2G1F	90%	19%	19%	62%
November 1998 B2G1F	90%	24%	25%	51%
September 1998 B2G1F	90%	20%	20%	60%

Source: FLR & Market Decisions

* % of ADS2 Designated Store List
** DSL = Designated Store List

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PM USA - Parliament B2G1F

Parliament B2G1F Spill

	% of Spill	Retail Masters	Non-Retail Masters
January 1999 B2G1F	19%	74%	26%
November 1998 B2G1F	25%	62%	38%
September 1998 B2G1F	60%	70%	30%

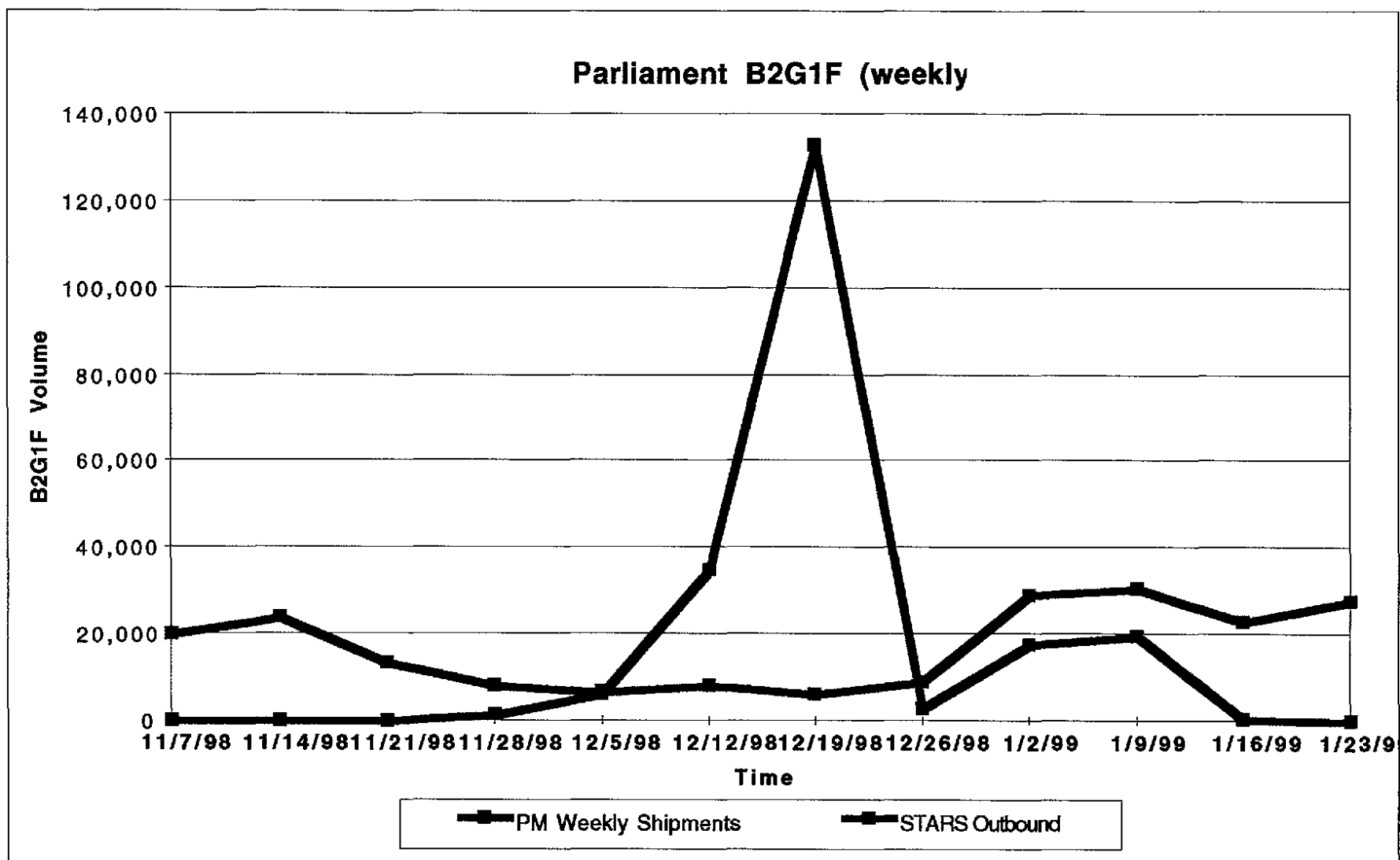
Source: FLR & Market Decisions

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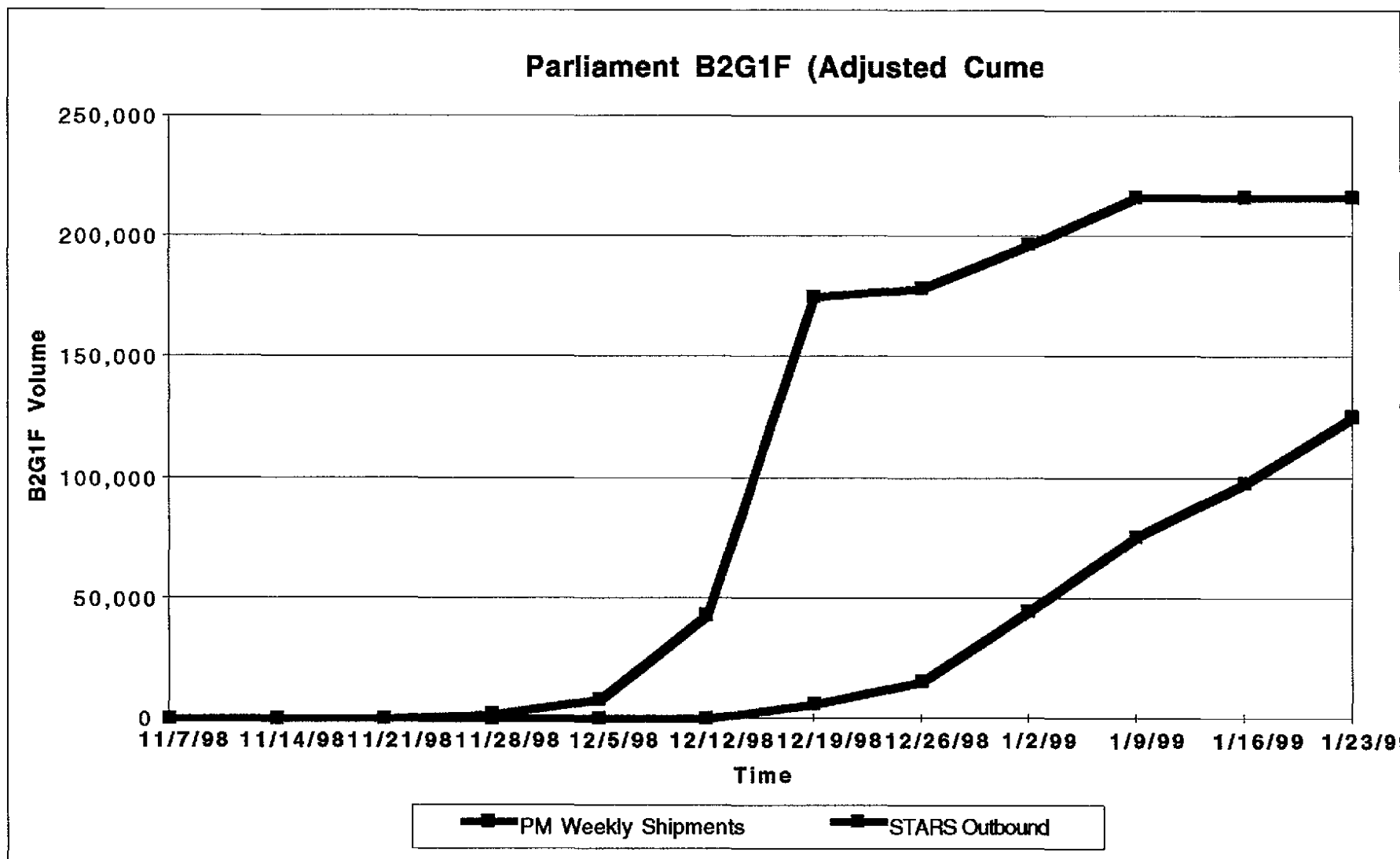
PM USA - Parliament B2G1F



Source: PM Shipments STARS, MN

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PM USA - Parliament B2G1F



Source: PM Shipments STARS, MN

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Basic January B2G1F & B8G2F

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PM USA - Basic B2G1F & B8G2F

FIELD SALES FORCE OBJECTIVES

OBJECTIVES

- B2G1F: Penetrate 90% of accounts on designated store list
- B8G2F: Penetrate 90% of accounts on designated store list

RESULTS (Cume Through w/o 1/24/99)

- B2G1F: 25% of Intended stores had B2G1F
- B8G2F: 36% of Intended stores had B8G2F

PM USA - Basic B2G1F

Basic B2G1F Pack Promotions					
	# Of Designated Stores	% Of Total Workload	Objective	% Penetration in Designated Stores	% Penetration in Total Stores
January 1999	96,973	45.4%	90%	25%	17%

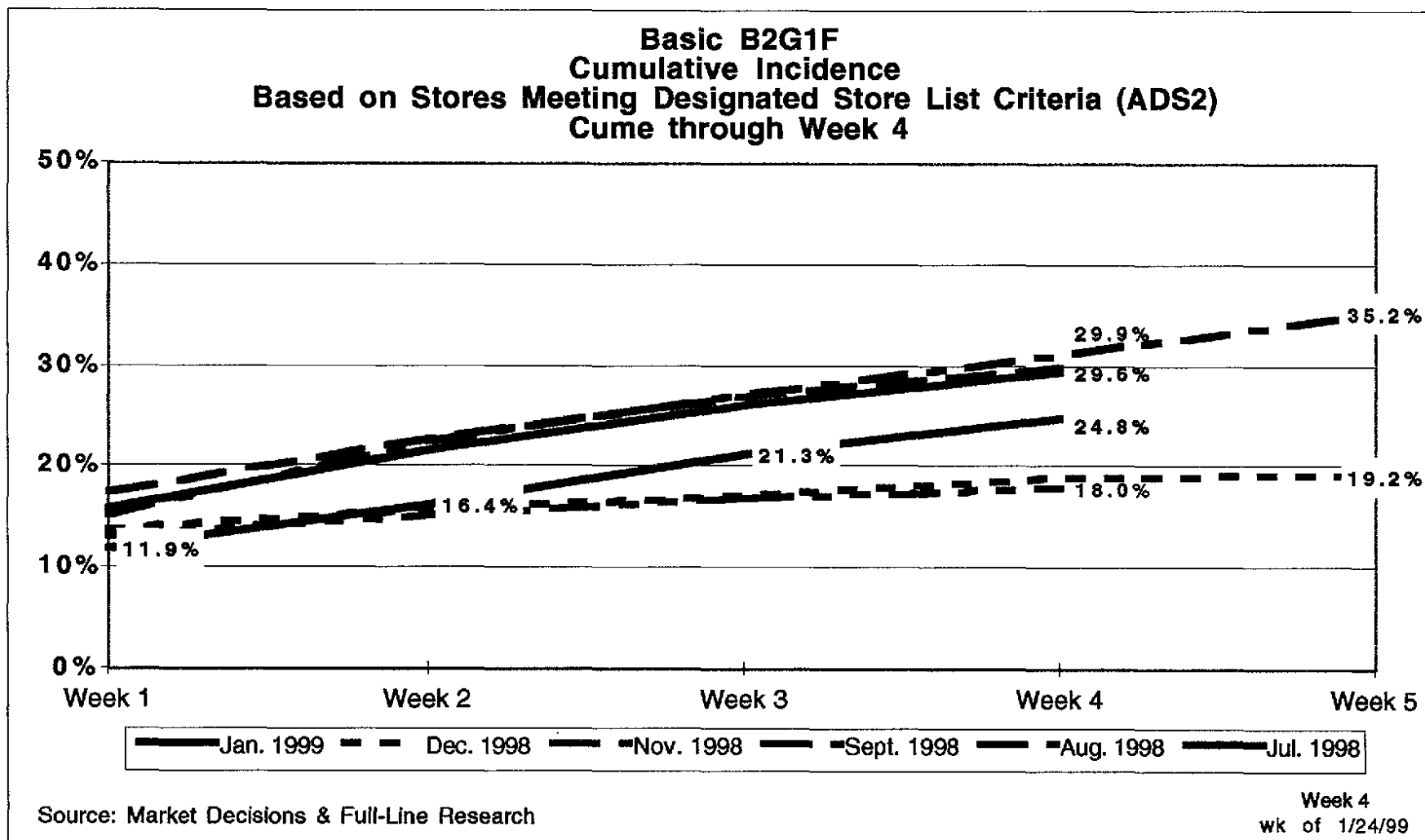
Source: ADSII & Market Decisions

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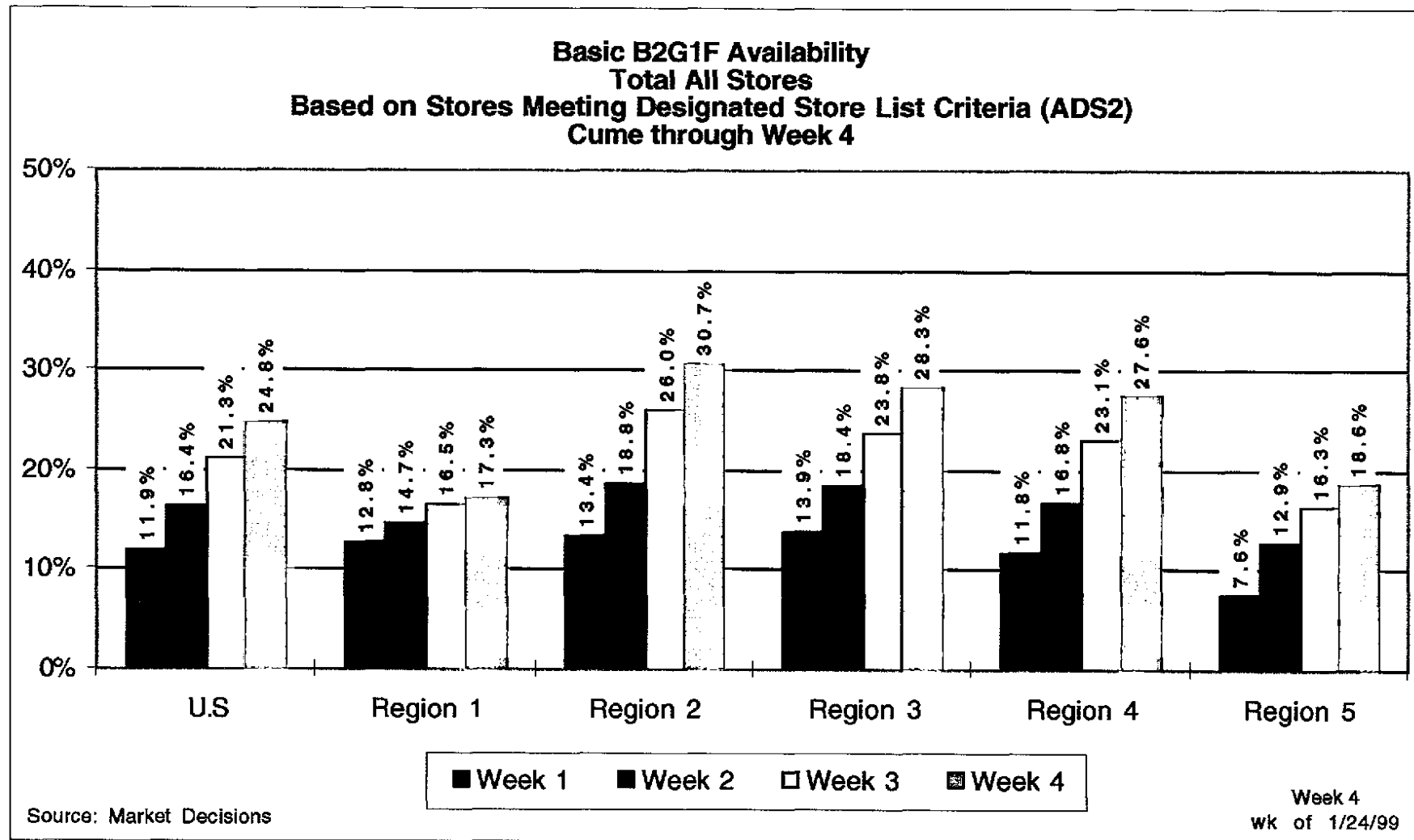
PM USA - Basic B2G1F



Objective: 90% of ADS2 store list.

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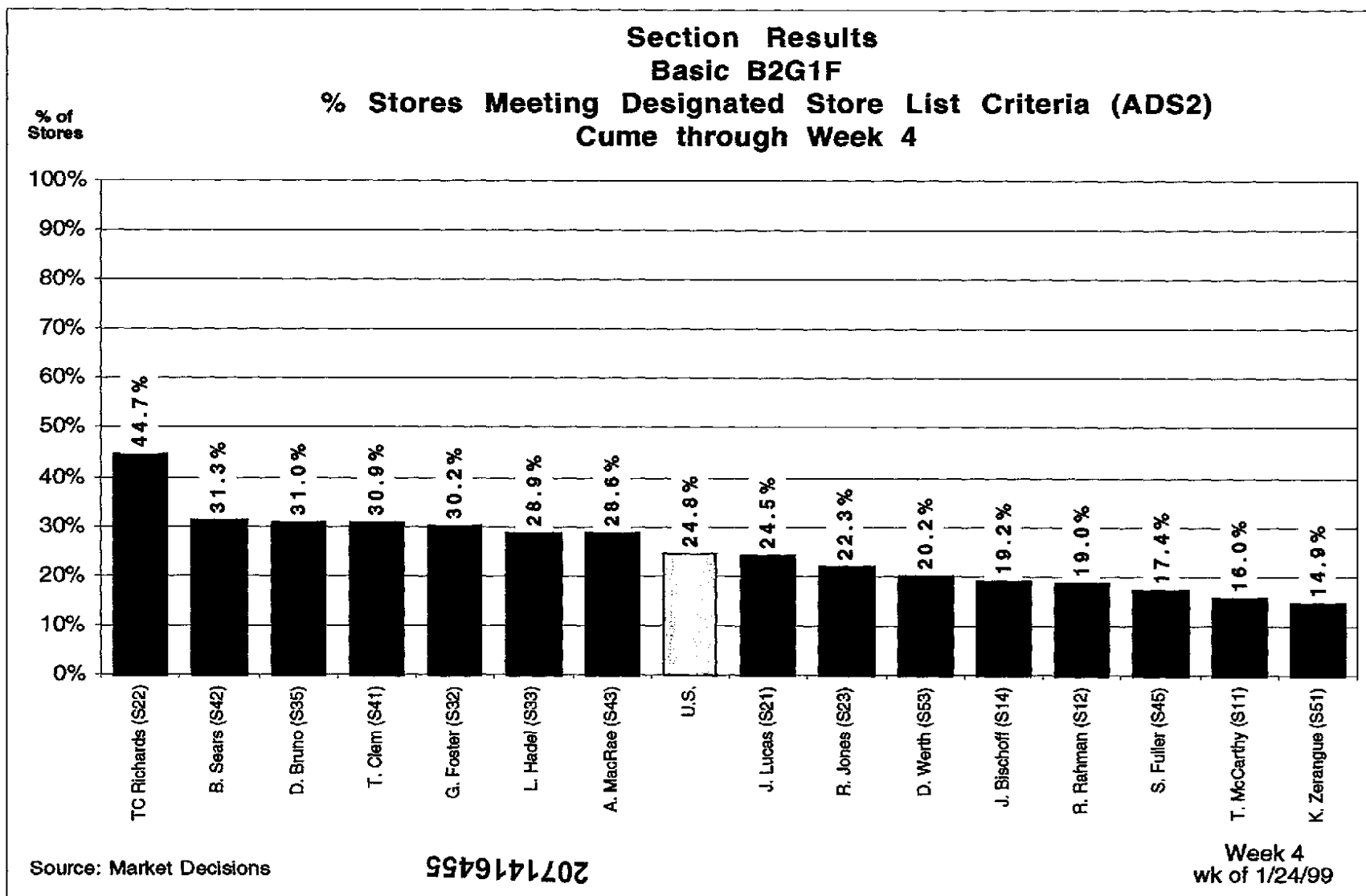
PM USA - Basic B2G1F



Objective: 90% of ADS2 store list.

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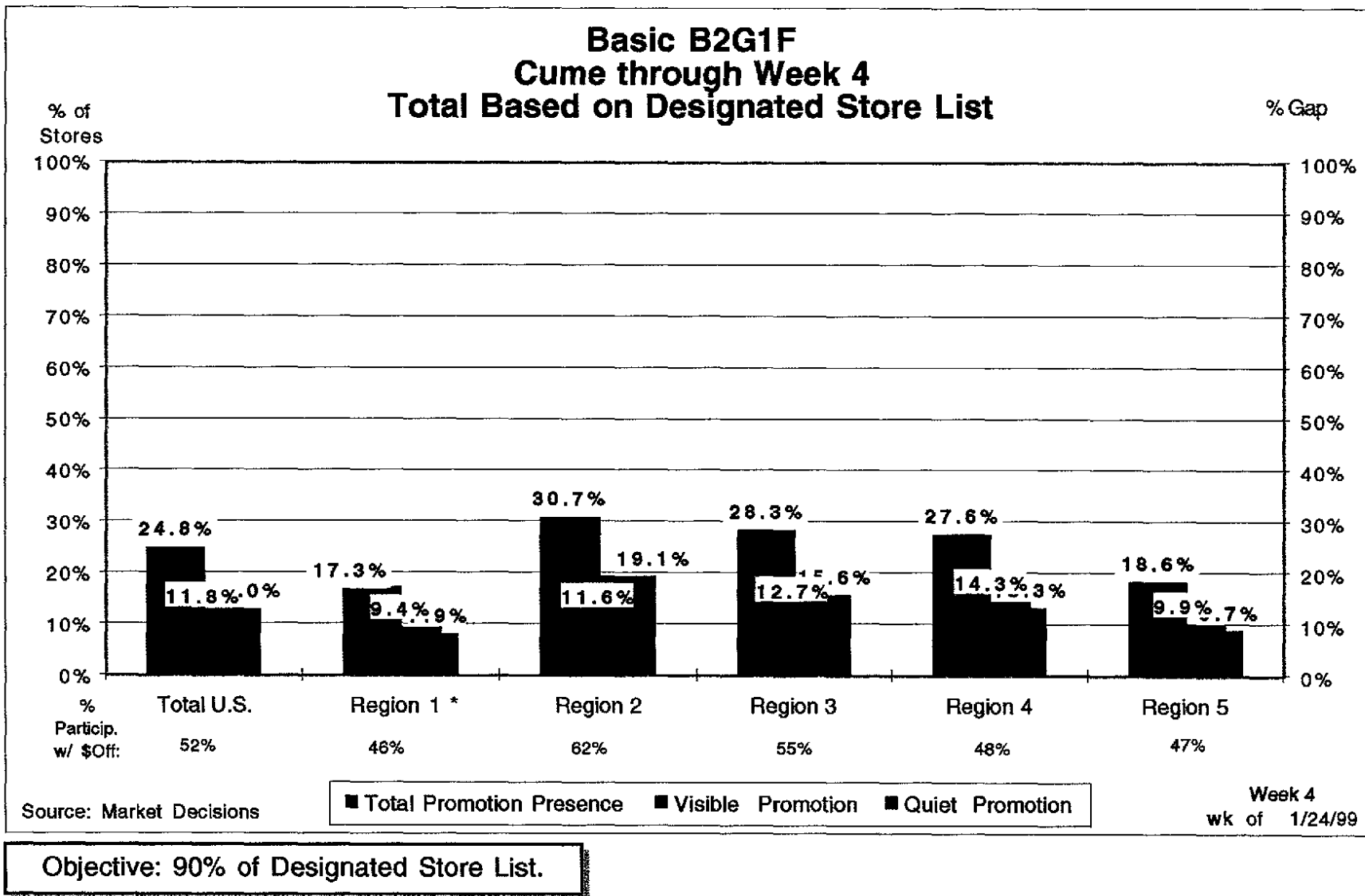
PM USA - Basic B2G1F



Objective: 90% of ADS2 store list.

Note: Low Sample Size in Section 13,24,31,36,44,52,54
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PM USA - Basic B2G1F



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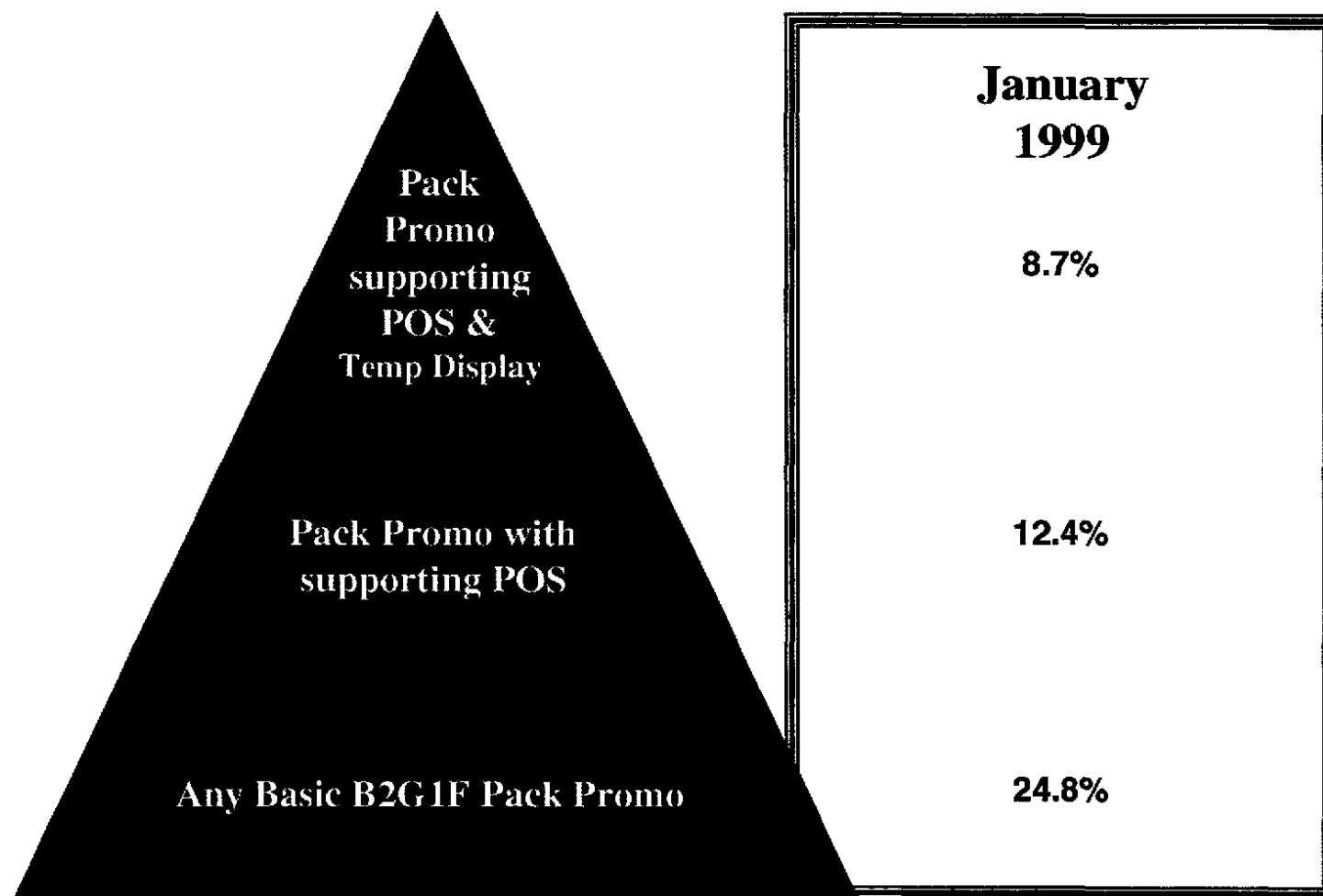
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PM USA - Basic B2G1F

Retail Execution Pyramid

Based on stores meeting designated store list criteria (ADS2)



Source: Market Decisions

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PM USA - Basic B2G1F

Basic B2G1F Spill

	Objective*	Stores w/ Promo		
		D.S.L. Penetration	Non D.S.L. Penetration	Unaccounted
January 1999 B2G1F	90%	25%	14%	61%
December 1998 B2G1F	70%	19%	81%	0%
November 1998 B2G1F	90%	30%	16%	54%

Source: FLR & Market Decisions

* % of ADS2 Designated Store List
** DSL = Designated Store List

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PM USA - Basic B2G1F

Basic B2G1F Spill

	% of Spill	Retail Masters	Non-Retail Masters
January 1999 B2G1F	14%	70%	30%
December 1998 B2G1F	81%	84%	16%
November 1998 B2G1F	16%	69%	31%

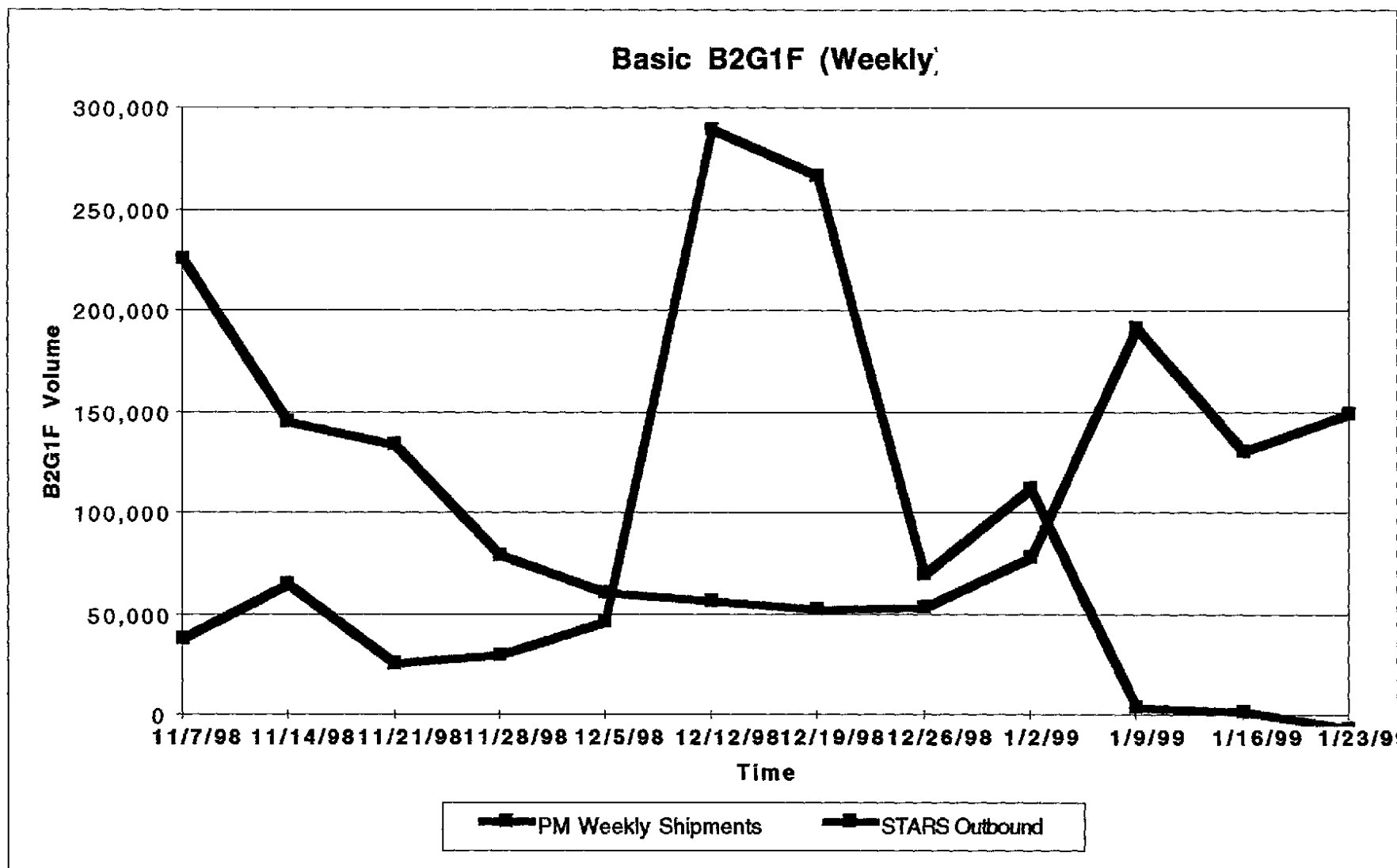
Source: FLR & Market Decisions

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PM USA - Basic B2G1F



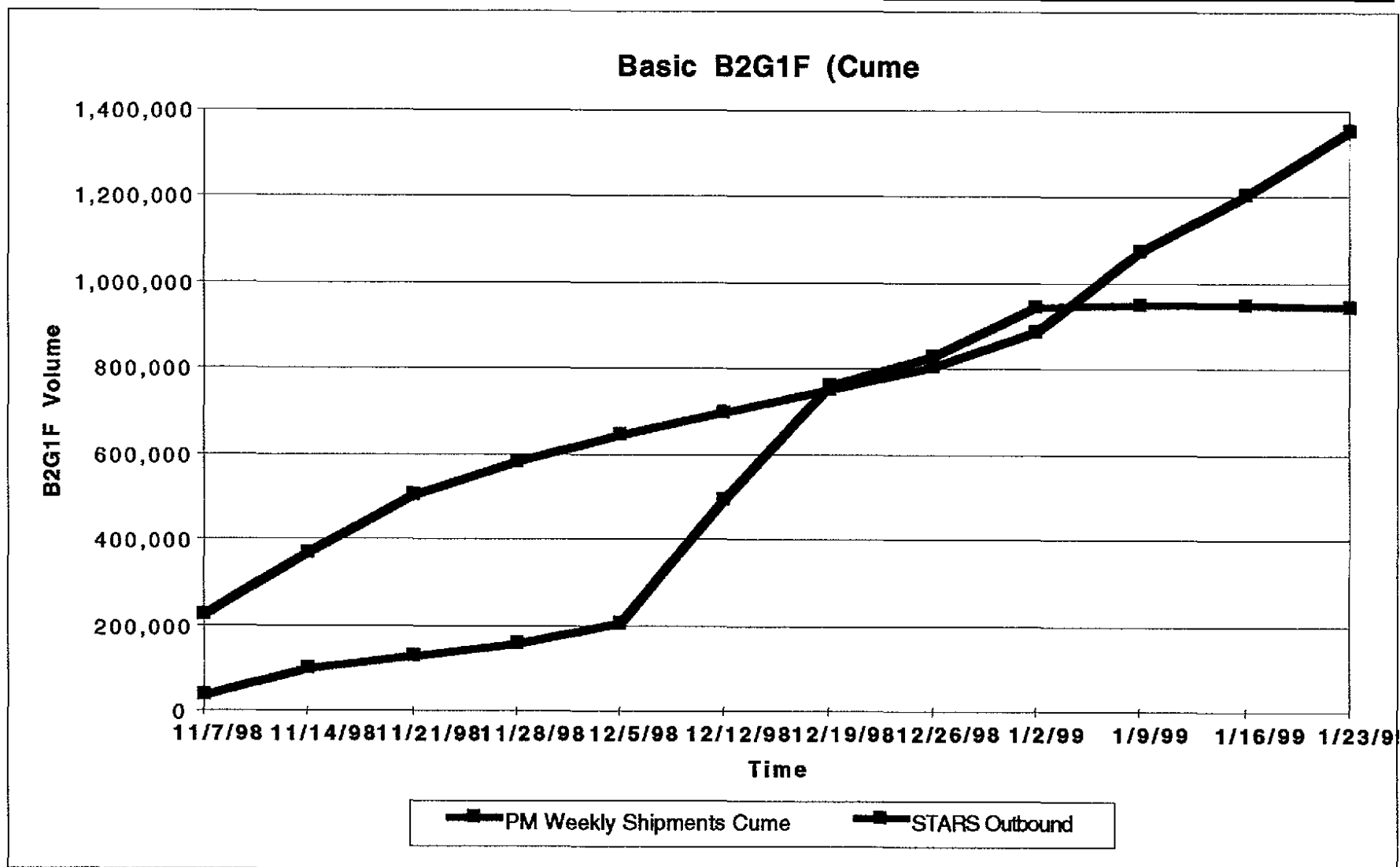
Source: PM Shipments STARS, MN

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PM USA - Basic B2G1F



Source: PM Shipments STARS, MN

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PM USA - Basic B8G2F

Basic B8G2F

Basic B8G2F Pack Promotions					
	# Of Designated Stores	% Of Total Workload	Objective	% Penetration in Designated Stores	% Penetration in Total Stores
January 1999	25,652	12.%	90%	36%	9%

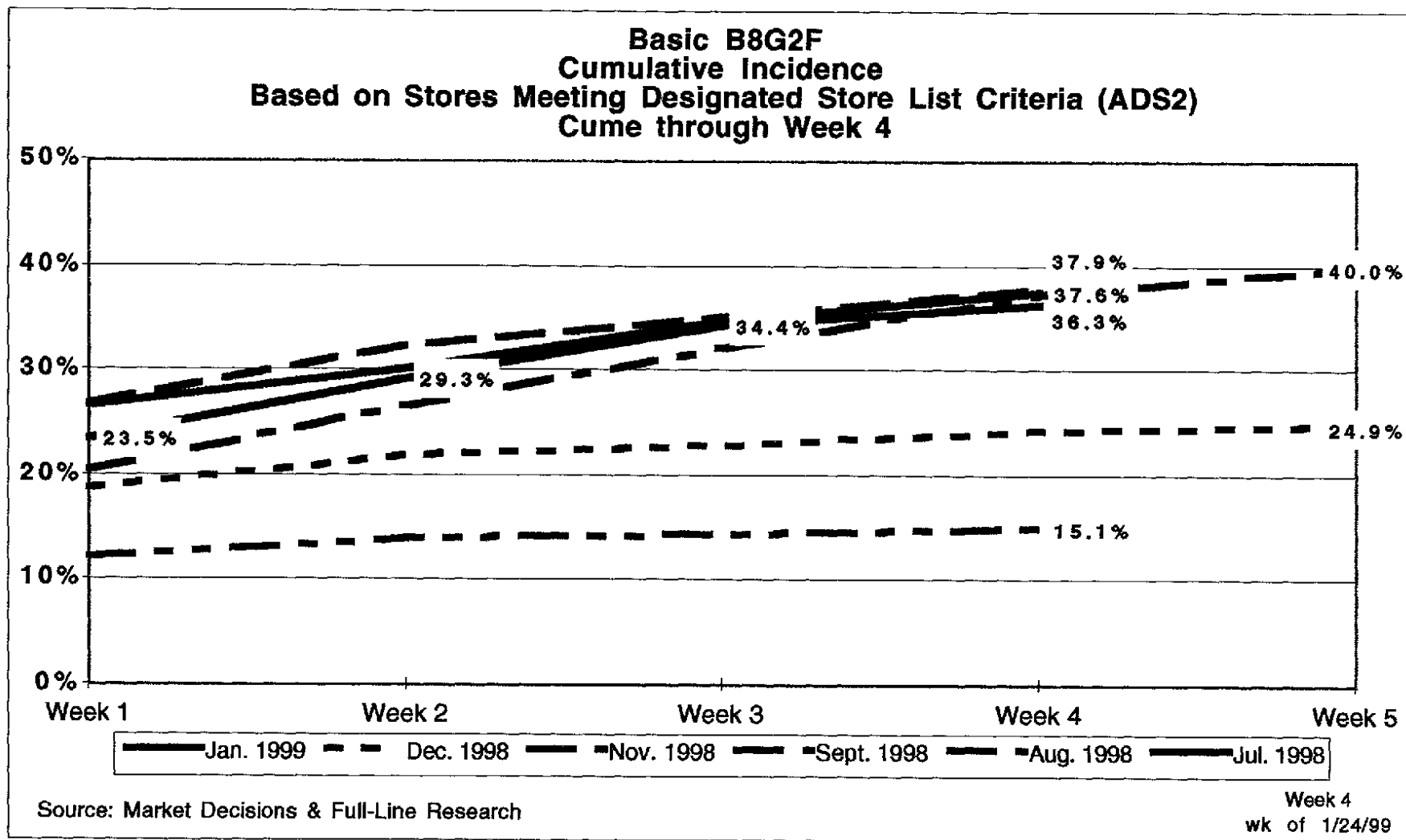
Source: ADSII & Market Decisions

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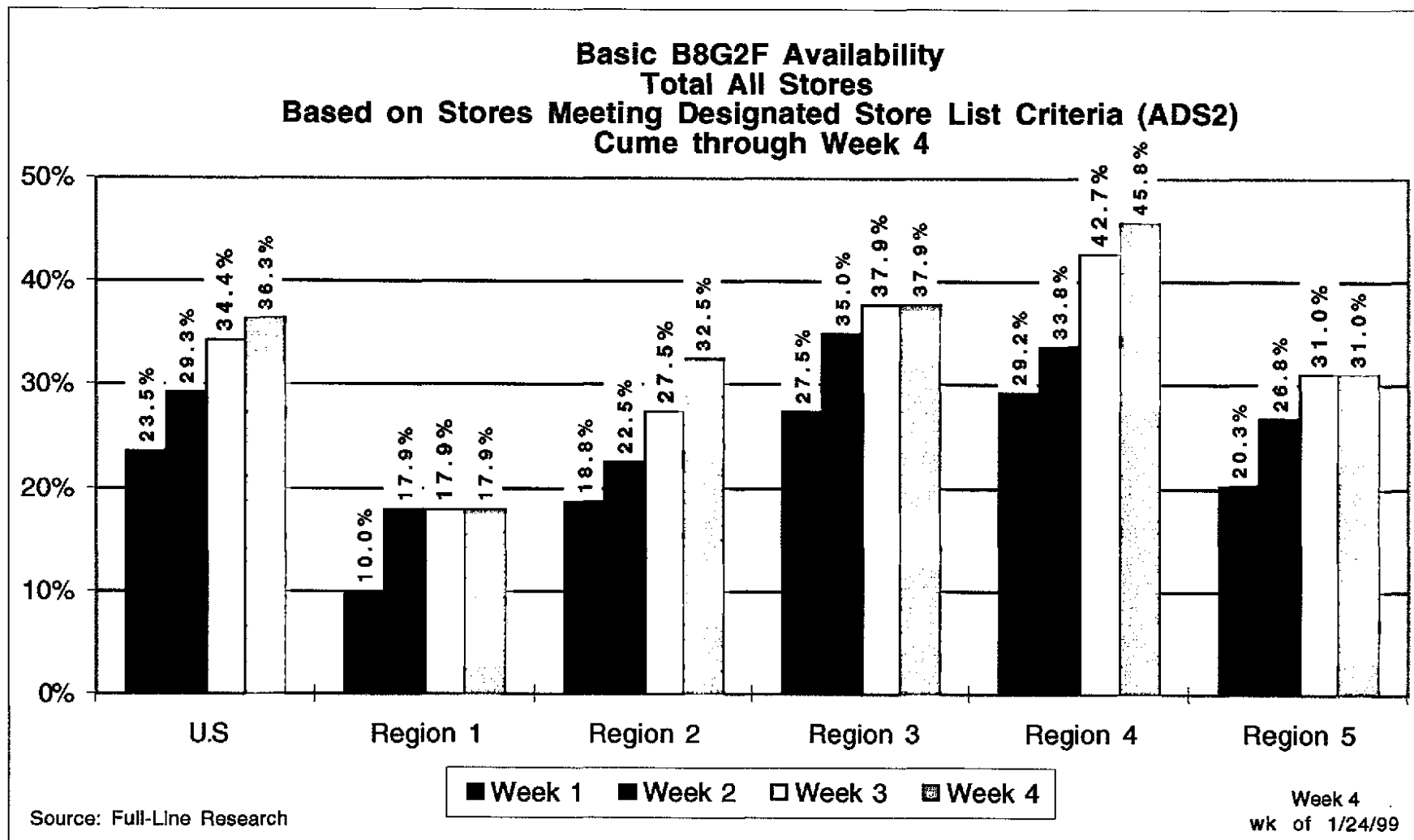
PM USA - Basic B8G2F



Objective: 90% of ADS2 store list.

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PM USA - Basic B8G2F



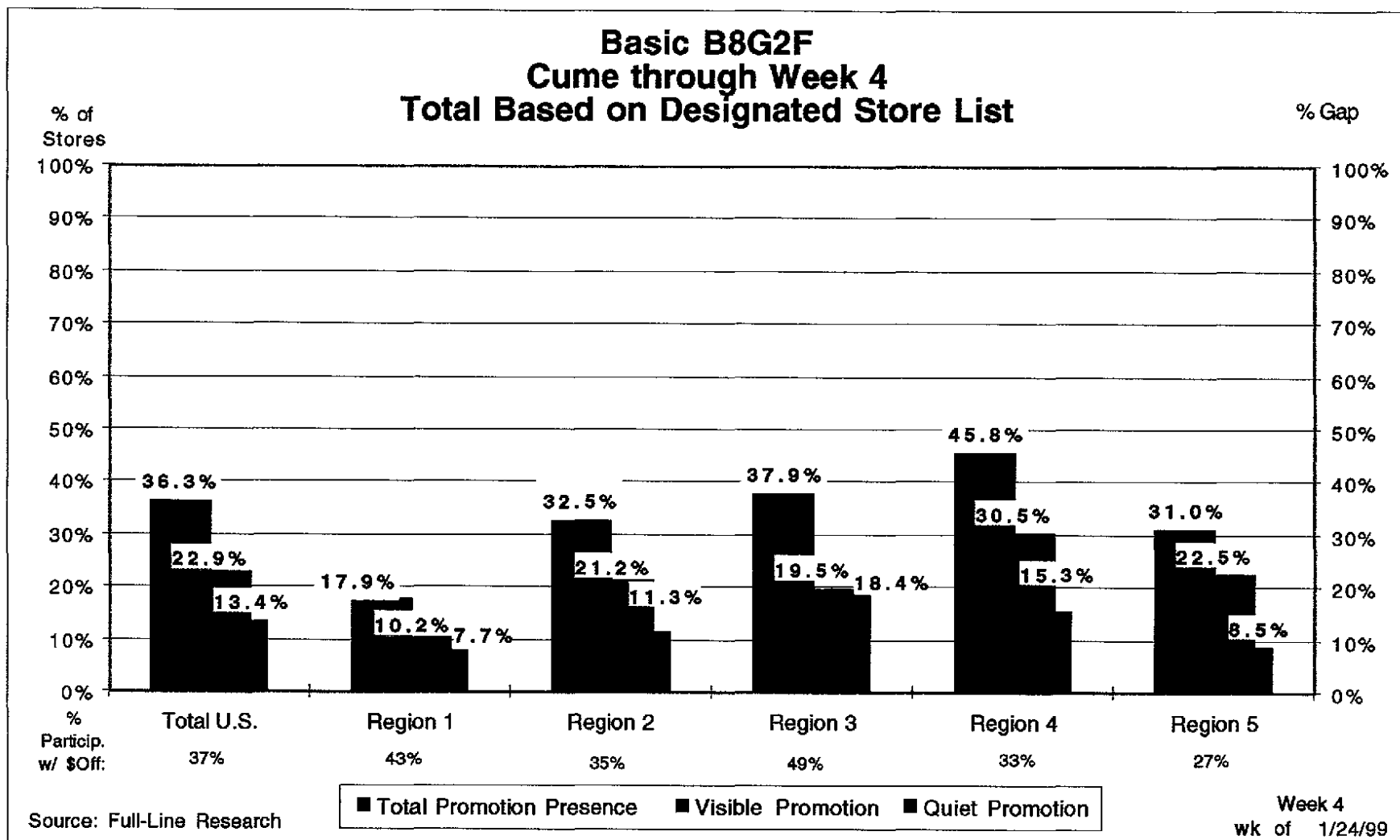
Objective: 90% of ADS2 store list.

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PM USA - Basic B8G2F



Objective: 90% of Authorized Store List.

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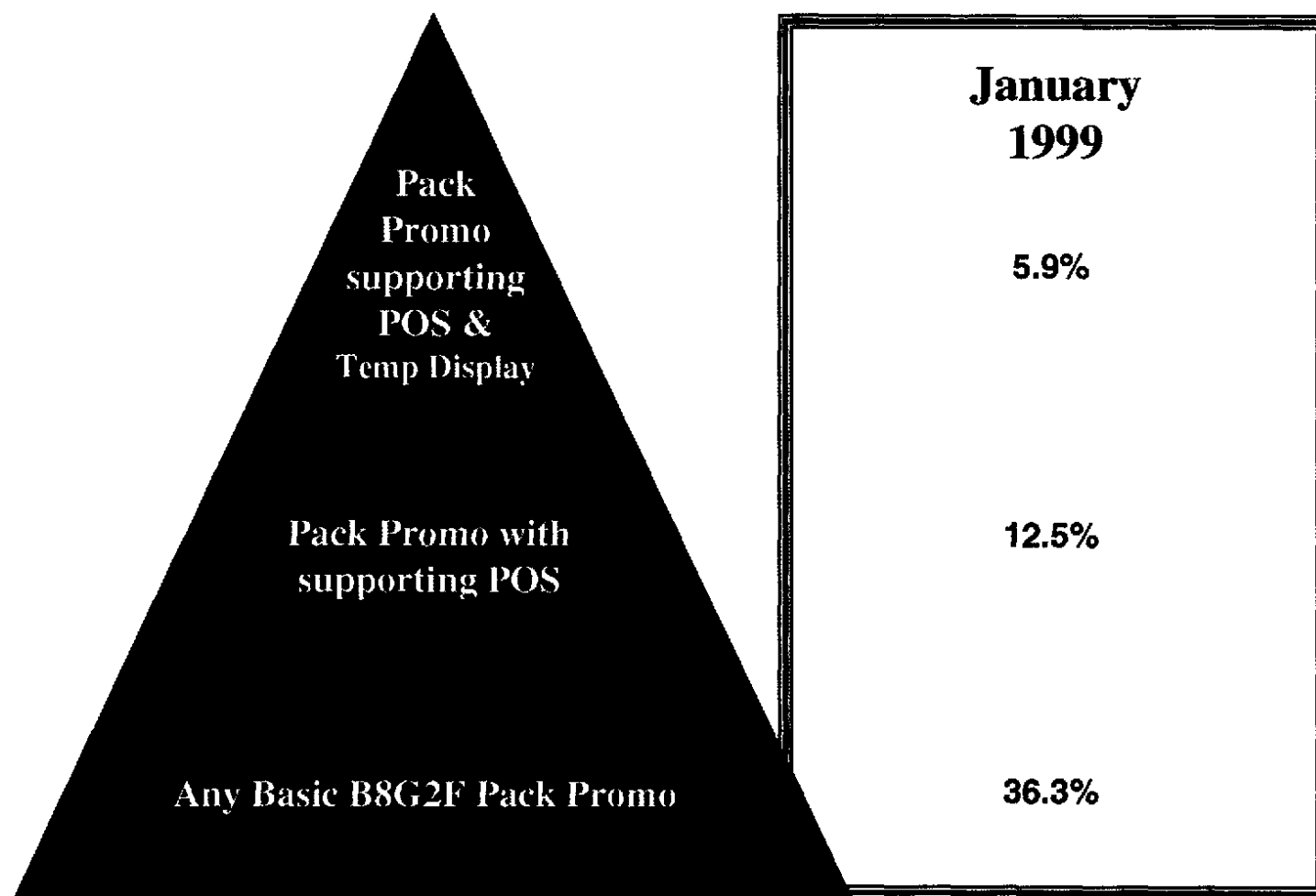
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PM USA - Basic B8G2F

Retail Execution Pyramid

Based on stores meeting designated store list criteria (ADS2)



Source: Market Decisions

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PM USA - Basic B8G2F

Basic B8G2F Spill

	Objective*	Stores w/ Promo		
		D.S.L. Penetration	Non D.S.L. Penetration	Unaccounted
January 1999 B8G2F	90%	36%	31%	33%
December 1998 B8G2F	90%	25%	75%	0%
November 1998 B8G2F	90%	38%	40%	12%

Source: FLR & Market Decisions

* % of ADS2 Designated Store List
** DSL = Designated Store List

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PM USA - Basic B8G2F

Basic B8G2F Spill

	% of Spill	Retail Masters	Non-Retail Masters
January 1999 B2G1F	31%	74%	26%
December 1998 B2G1F	75%	84%	16%
November 1998 B2G1F	40%	71%	29%

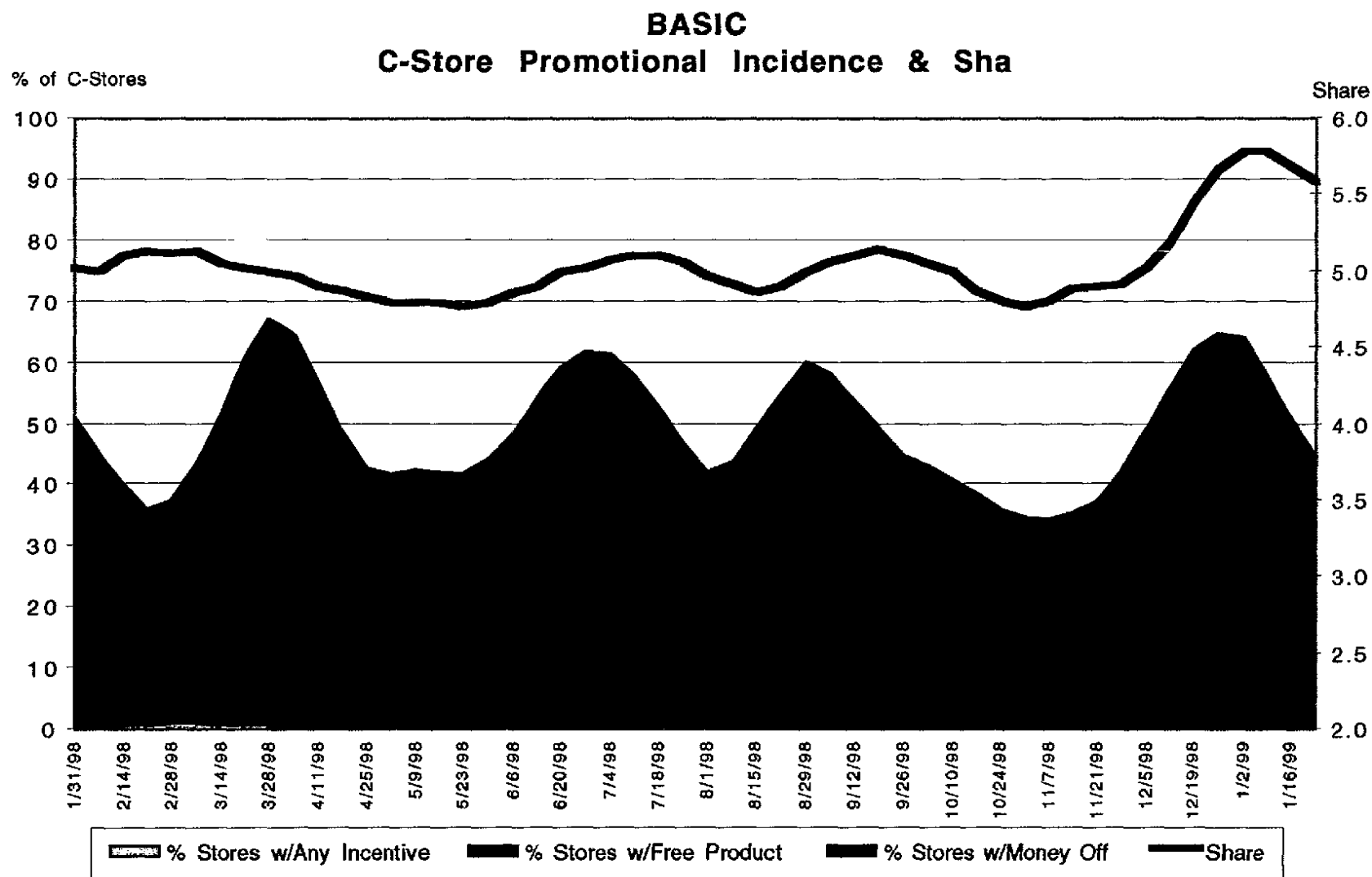
Source: FLR & Market Decisions

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PM USA - Basic B2G1F & B8G2F



Source: Nielsen (4wk), J

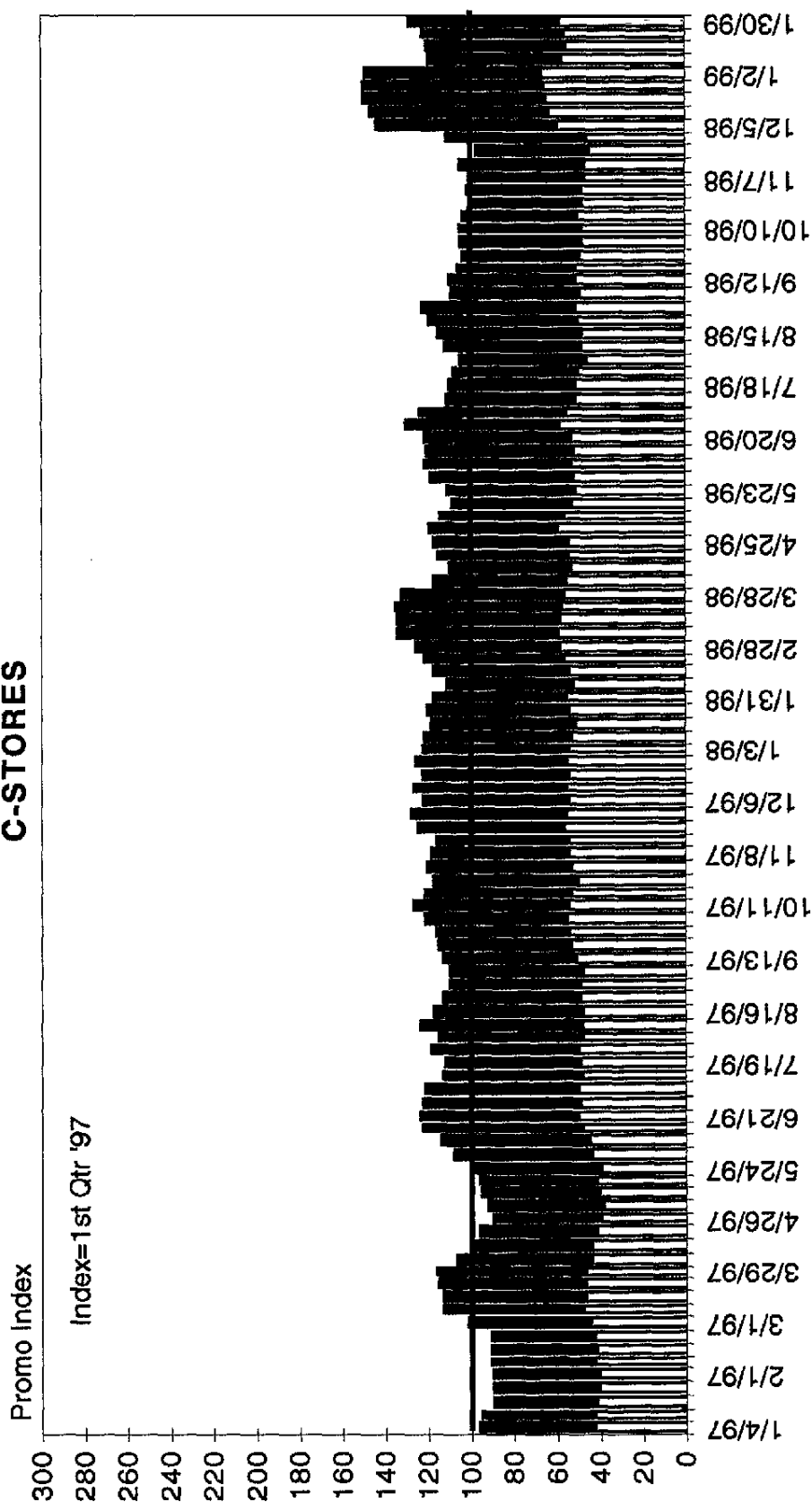
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PM USA -

CORE DISCOUNT PROMOTIONAL INDEX C-STORES

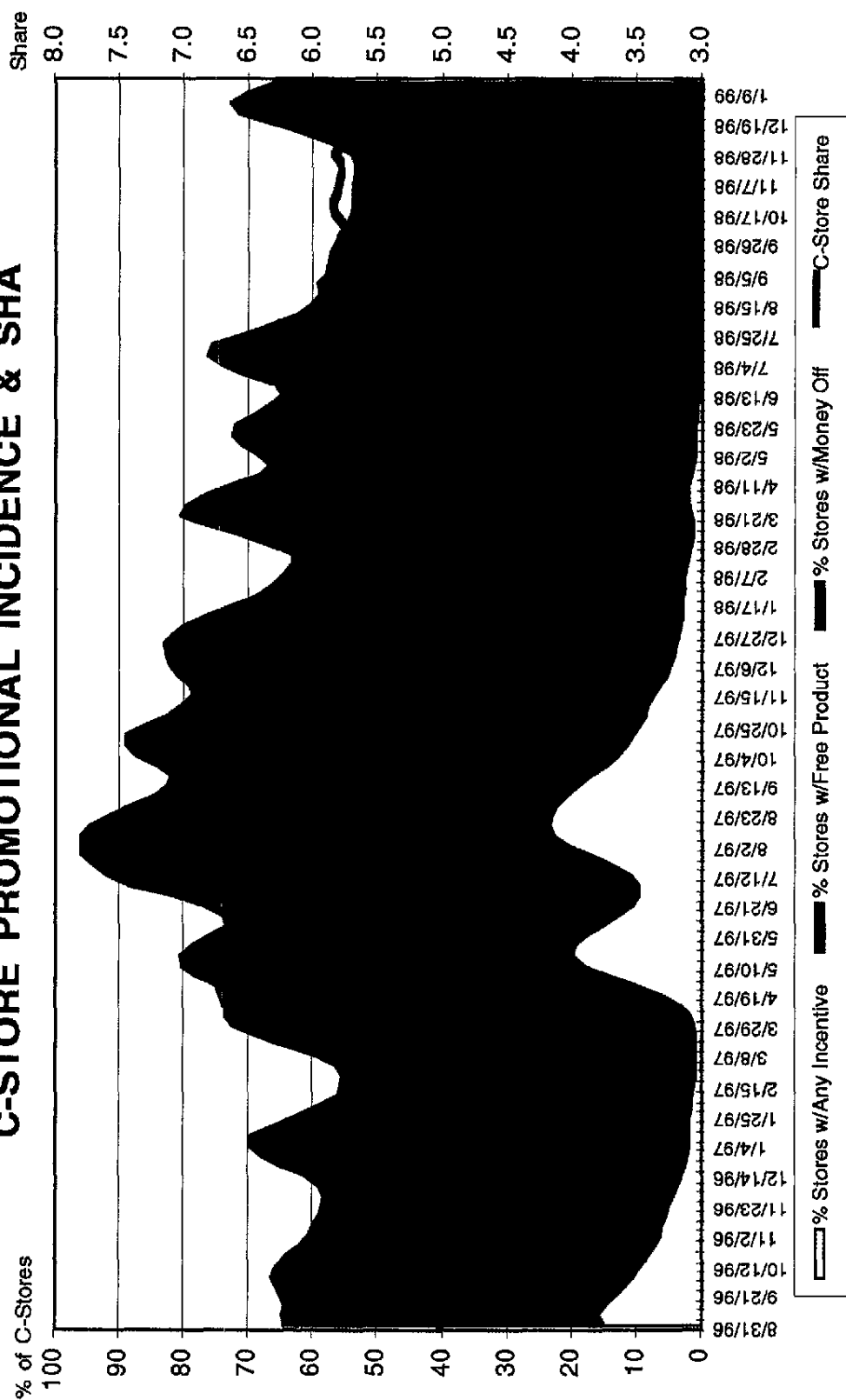


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DORAL C-STORE PROMOTIONAL INCIDENCE & SHA



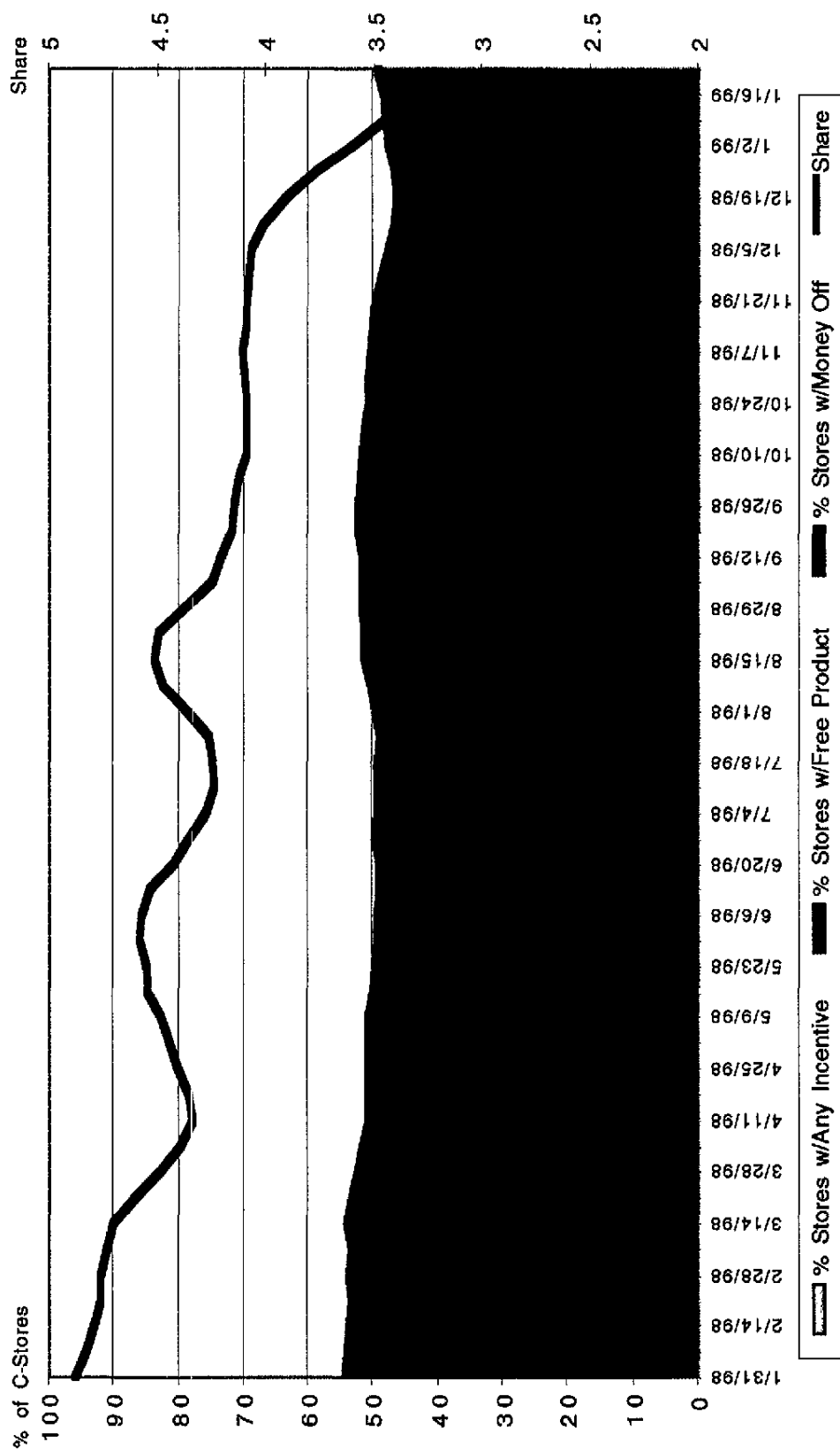
Source: Nielsen (4wk)

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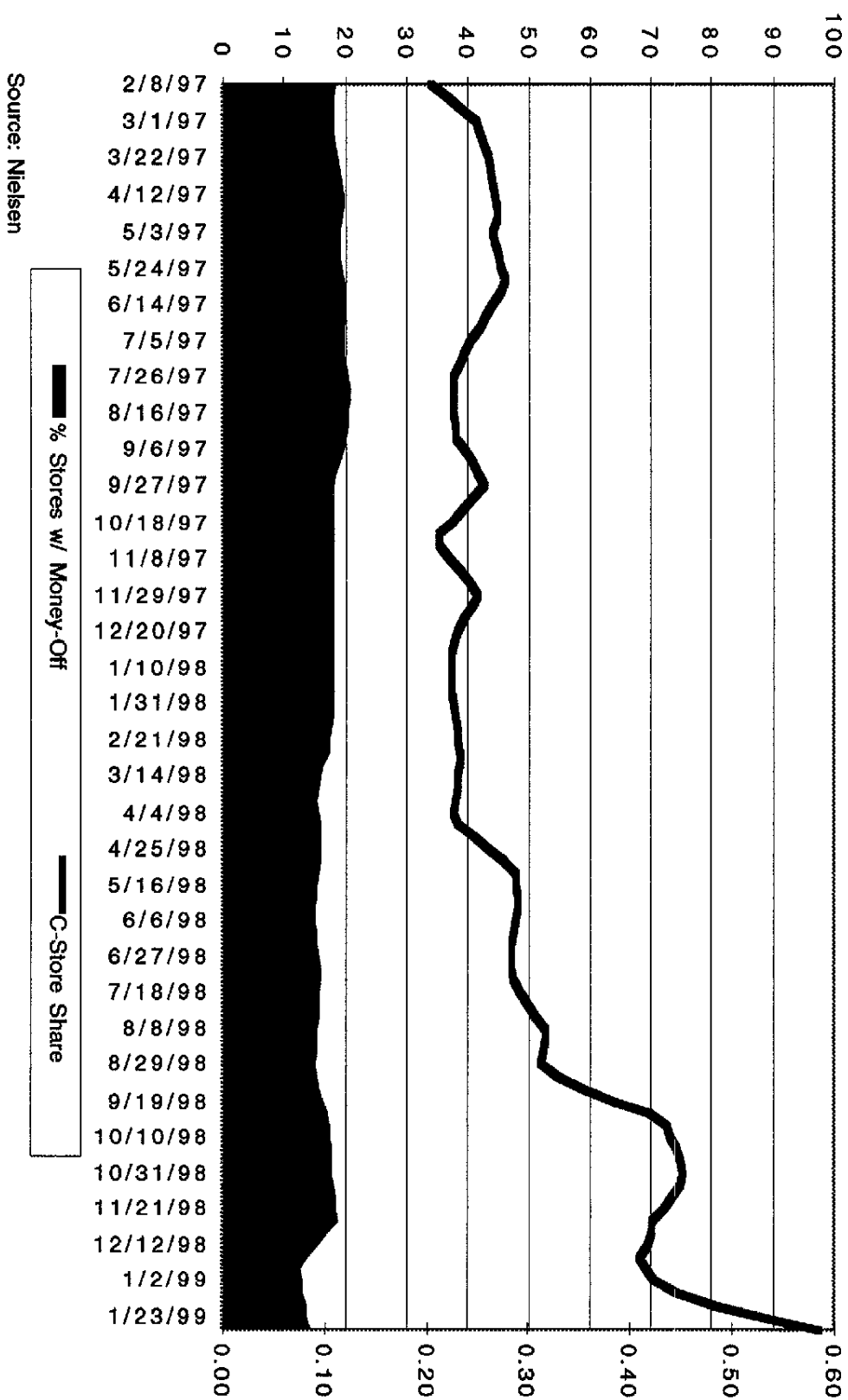
GPC C-Store Promotional Incidence & Sha



Source: Nielsen (4 wk), J

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MAVERICK - IRI C-Store Promotional Incidence & Sha



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PM USA -Cambridge B8G2F

FIELD SALES FORCE OBJECTIVES

OBJECTIVES

- B8G2F: Penetrate 90% of accounts on designated store list

RESULTS (Cume Through w/o 1/24/99)

- B8G2F: 34% of Intended stores had B8G2F

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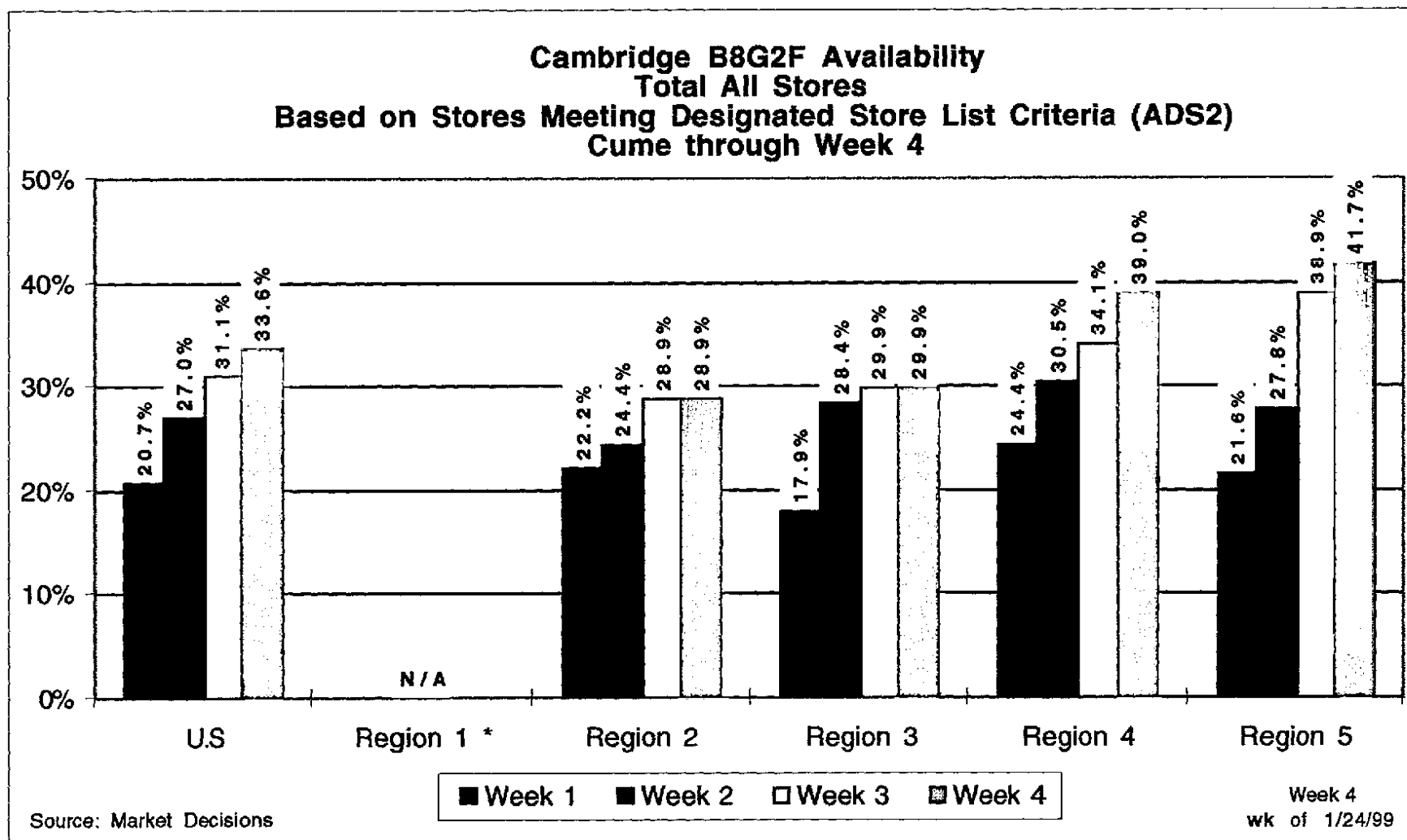
Cambridge B8G2F

Basic B8G2F Pack Promotions					
	# Of Designated Stores	% Of Total Workload	Objective	% Penetration in Designated Stores	% Penetration in Total Stores
January 1999	13,942	6.53%	90%	34%	6%

Source: ADSII & Market Decisions

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Objective: 90% of ADS2 store list.

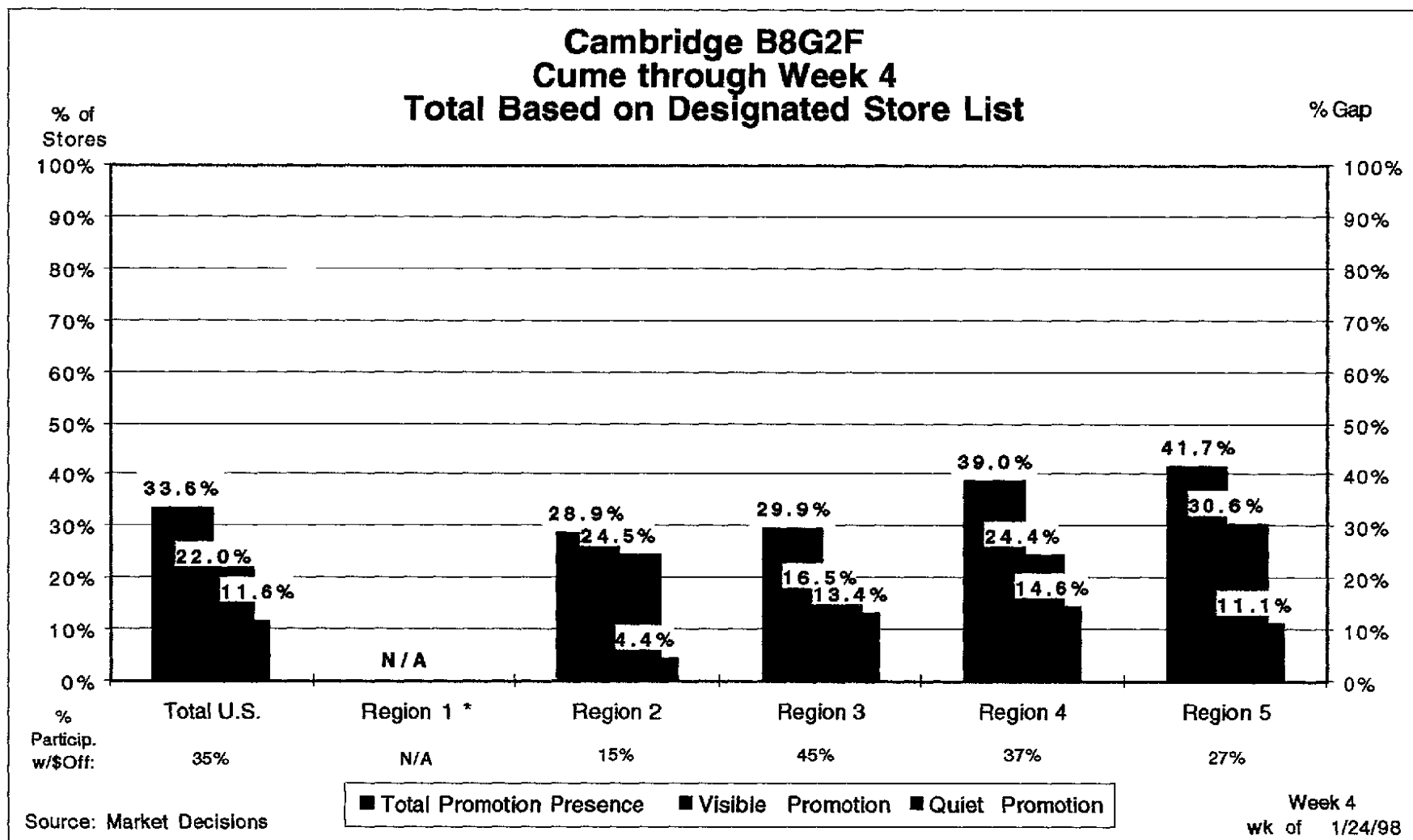
Note: Low Sample Size in Region 1

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Objective: 95% of Designated Store List.

Note: Low Sample Size in Region 1

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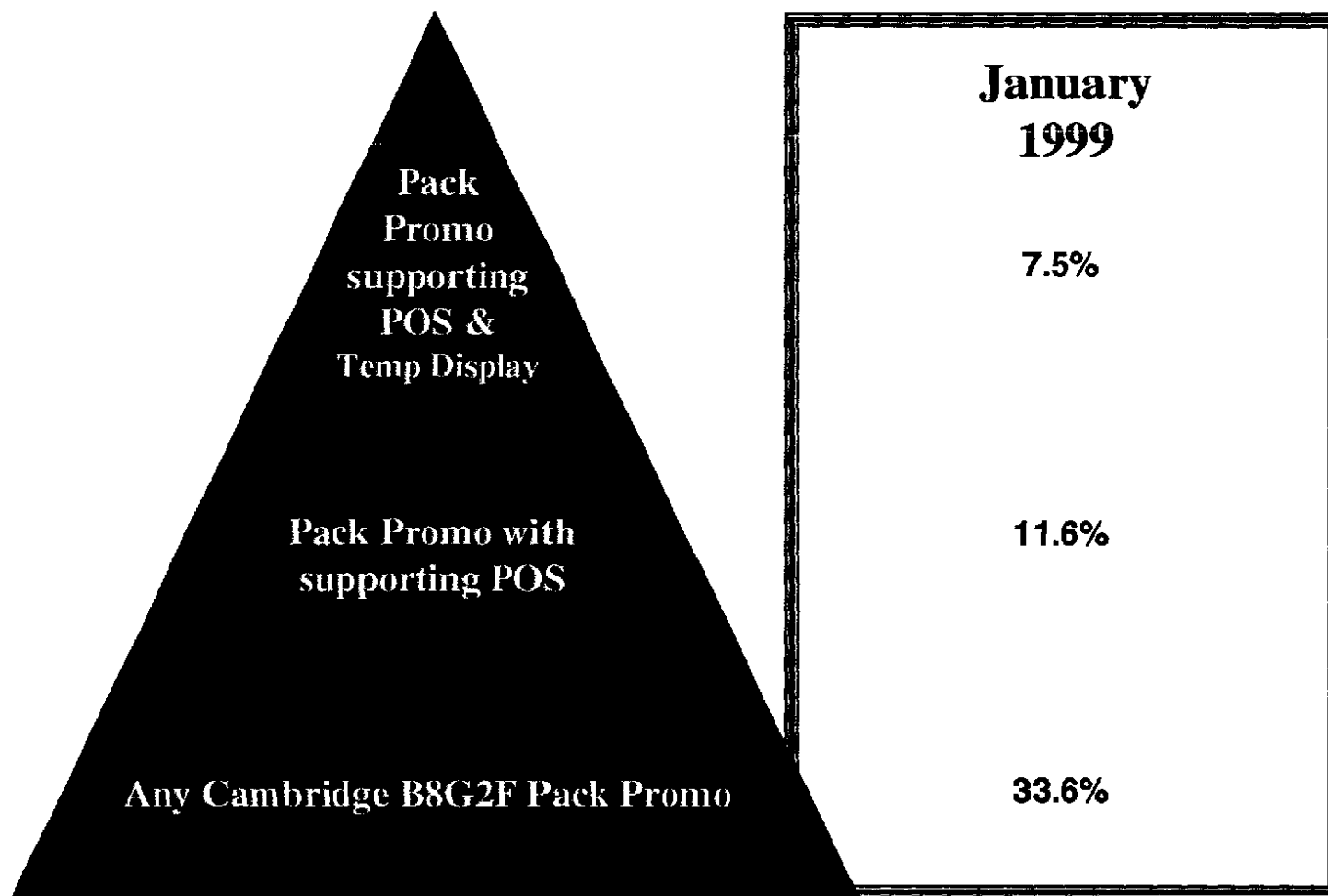
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Retail Execution Pyramid

Based on stores meeting designated store list criteria (ADS2)



Source: Market Decisions

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